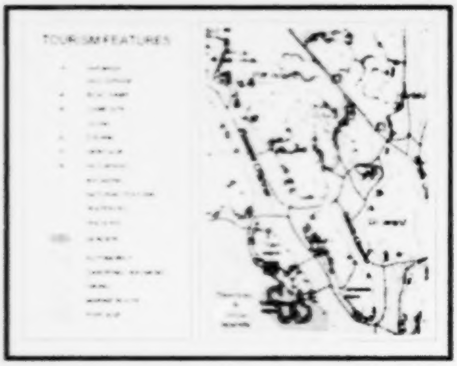
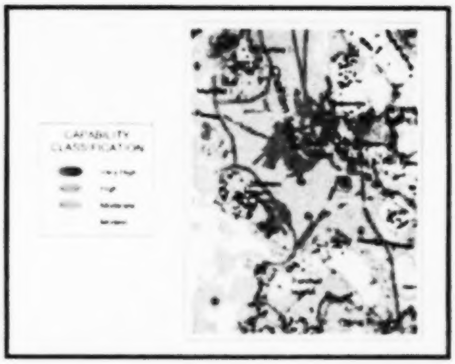
FOREST & FISHERIES TOURISM OPPORTUNITIES STUDY FOR THE NORTH COAST FOREST DISTRICT

PROJECT REPORT - MARCH 2000





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Funding Partners:
Fisheries Renewal British Columbia
Forest Renewal British Columbia
Ministry of Small Business, Tourism & Culture
Northern Development Commission

BRITISH
COLUMBIA

THE NORTH COAST FOREST DISTRICTS OF BRITISH COLUMBIA TOURISM OPPORTUNITIES ANALYSIS

Prepared for:
Tourism Policy and Land Use Branch
Tourism and Corporate Policy Division
Ministry of Small Business, Tourism and Culture

Funded by:
Ministry of Small Business, Tourism and Culture
Northern Development Commission
Fisheries Renewal BC
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1 EXECUTIVE SUMMARY

1.1 Introduction

Clover Point Cartographics Ltd. has been commissioned by the Ministry of Small Business, Tourism and Culture to identify opportunities for sustainable community-based tourism development within the North Coast Forest District. Working with Clover Point on the project are Geoscape Environmental Planners, Marlyn Chisholm and Associates, and Sunderman and Associates.

Clover Point served as the project manager, had primary responsibility for the inventory and resource capability modelling, and contributed to the resource analysis segments of the project. Geoscape had a lead responsibility for community liaison and undertook much of the inventory fieldwork, as well as contributing to the analysis. Chisholm and Sunderman were the principal economic analysts and had the lead responsibility in the analysis segments.

1.2 Purpose

The information obtained will enable senior governments to support the efforts of individuals, municipal governments, First Nations, tourism groups and economic development agencies to diversify local economies, maintain access to recreational resources for local residents, and minimize conflicts among resource users. The analysis is not meant to be either exclusive or exhaustive. The study's objective is to identify those products with the best development capability based on a combination of natural resource, market potential and local development capability.

1.3 Background

The Tourism Opportunities Study (TOS) concept is part of a natural progression for the Ministry of Small Business, Tourism and Culture. Prior to 1998, one of the Ministry's key emphases was conducting regional or strategic scale Tourism Resource Inventories (TRI), the primary focus of which was to support land use planning. The TRI uses a Geographic Information System (GIS) based inventory of tourism assets and predictive tourism product capability modeling. Building on the same GIS-based tools as a TRI, a TOS adds a SWOT analysis to incorporate the economic and social priorities of the community, reflects the current status of local tourism development and provides the detailed information required for sub-regional or community level planning.

1.4 Regional Tourism Profile

The Northwest Tourism Region, which includes the North Coast Forest District, accounts for approximately 7% (2.2 million visitors) of the provincial visitor volume and 5% ($425 million) of the provincial tourism revenue. The majority of visitors (73%) are BC residents.

The North Coast has the attributes and appeal to draw domestic and international visitors seeking authentic wilderness and adventure experiences.

A total of 140 tourism operators were identified as being based in or using the region. Of these:

- 30 offer accommodation only

- 43 offer accommodation and touring services/experiences (including 26 charter boats)
- 36 offer tours and experiences only (primarily fishing charters)
- 5 offer tours and scheduled transportation services
- 9 offer scheduled transportation only
- 8 offer museum or art attractions (one of which also offers accommodation)
- 7 offer a marina, 1 offers a golf course and 1 offers rentals (in conjunction with retail services)

1.5 Community Analysis

Most tourism operations are based in the Prince Rupert area. The outlying, unincorporated communities, including Oona River, Laxgalts'ap (Greenville), Kincolith, Hartley Bay, Kitkatla, Metlakatla, Port Edward and Lax Kw'alaams (Port Simpson), have very little tourism infrastructure.

Each community has a unique history that contributes to the cultural tapestry that is integral to the history of the North Coast. This unique history lends itself to the tourism industry.

The regional economy is largely dependent on the fishing sector, with forestry and Prince Rupert's role as a major service/distribution centre for the Northwest also accounting for a large share of economic activity.

Each community is at a unique juncture with regards to their economic and tourism development. Several have established and are implementing tourism initiatives.

1.6 Product Analysis

PRODUCT: Ocean Kayaking	
Strengths	Remoteness, scenery, high value features, culture and related features, growing demand, community support, low startup Capital requirements
Weaknesses	Repeatability of feature along coast, high precipitation, cost to access region, poor presentation of culture and related features, lack of infrastructure /accommodation in close proximity to best areas to experience the product
Opportunities	Wilderness, ecotourism or adventure markets for kayaking. Links with a mothership, hut-to-hut, circuit routes, overland (hiking, freshwater linkages to marine), hotspring tour, resort
Threats	Land use uncertainties, increased use affecting "remote" experience, forest harvesting, possible conflict with First Nation traditional use or historic sites

PRODUCT: HUT-TO-HUT TOURING

Strengths	Remoteness, scenery, high value recreation features, optimum topography, successful model in place for rustic product, community support for locally-based initiative, minimal training required
Weaknesses	Potentially repeatable product along BC Coast, lack of support infrastructure (trails), cost to access region, some difficulties staging from remote communities because of distance to transportation nodes, difficult for private operator to obtain financing, compliance and enforcement, vandalism, carrying capacity unknown, relatively untested high-end product.
Opportunities	Rustic to high-end alpine, lake and marine hut-to-hut; linkage with US Forest Service cabin system, and possible international Inside Passage marine park system
Threats	Land use uncertainties, increased recreation use affecting "remote" experience, forest harvesting.

PRODUCT: WILDLIFE/NATURAL HISTORY: LAND	
Strengths	Remoteness, scenery, limited development, high quality whale and bear viewing areas, high recreation value features. Excellent salmon, trout and steelhead fishery.
Weaknesses	Intervening opportunities along BC coast, limited wildlife viewing areas, cost to access region, influences of tides on the rivers and estuaries. Extended periods of wet weather.
Opportunities	Educational tours, link to other products like overland routes for hiking/canoeing/portage, cultural products.
Threats	Land use uncertainties, increased use affecting "remote" experience, forest harvesting

PRODUCT: WILDLIFE/NATURAL HISTORY: MARINE	
Strengths	Remoteness, scenery, limited development, high quality whale viewing areas, high value recreation features, high quality scuba diving on outlying islands.
Weaknesses	Repeatability of product along BC coast, limited number of wildlife viewing areas, cost to access region. Sediment from major rivers minimizes underwater visibility, day-to-day unreliability of sightings, many severe weather systems.
Opportunities	Educational tours. Linkages to other products.
Threats	Land use uncertainties, increased recreation use affecting "remote" experience, forest harvesting.

PRODUCT: MARINE CRUISING	
Strengths	Sport fish, remoteness, scenery, high value features including hotsprings, wildlife (bears and whales), culture and heritage features, remote communities, and tourism infrastructure such as Port Edward Cannery and Pike Island; Atlin pier in Prince Rupert; growing demand; community support
Weaknesses	High precipitation, cost to access region, lack of suitable infrastructure in the communities (with the exception of Prince Rupert), lack of organized tourism related activities in the communities (cultural interpretation, shows), no marine glaciers (as in Alaska); possible high startup costs; high tidal variances hazard for cruisers lacking local knowledge
Opportunities	Development infrastructure. Support products to pocket cruises. Cultural and historical exposition. Linkages to on-shore commercial businesses, e.g. Atlin Terminal.
Threats	Land use uncertainties, forest harvesting (with visual and environmental concerns), full support of community lacking, competition from Alaskan pocket cruise industry

PRODUCT: DESTINATION LODGE RESORTS	
Strengths	Sport fish, remoteness, scenery, high value features and wildlife (First Nation Culture, bears and whales), high visibility to Alaskan cruise market.
Weaknesses	High precipitation, poor scheduling of flights and cost to access region, competition among existing sport-fishing lodges, high start up and operating costs, government regulatory obstacles and possible lack of community support
Opportunities	Diversification into other types of activities such as whale and wildlife watching, freshwater fishing, hiking, exploring, etc.; linkages to air and marine tours; soft adventure market niche seeking world class wilderness experience
Threats	Land use uncertainties, increased use affecting "remote" experience, forest harvesting (with visual and environmental concerns), decline of the Pacific salmon stock.

PRODUCT: HERITAGE/CULTURE	
Strengths	Remoteness, scenery, limited “development”, high quality features, highly marketable. High capacity for expansion. Existing labour force.
Weaknesses	Although each culture is unique, repeatability of similar product along BC coast. Access. Support facilities. Extended periods of wet weather.

Opportunities	Educational/interpretive tours, link to other products like overland routes for hiking/canoeing/ kayaking/marine cruise. Infrastructure development.
Threats	Increased use affecting "remote" experience, forest harvesting. Loss of culture through aging elders and youth moving away for education/employment

PRODUCT: HIKING	
Strengths	Scenery, high value recreation features, logging roads. Coastal hikes with outstanding beaches.
Weaknesses	Weather, few existing trails, lack of brand recognition.
Opportunities	Development of regionally significant coastal hikes, linkages with other products such as kayaking, lodges, and hut-to-hut.
Threats	Competition from elsewhere in BC, Canada, lack of public sector funding to develop and maintain trails.

PRODUCT: AIR TOURS	
Strengths	Remoteness, scenery, high value recreation features
Weaknesses	Weather, access time to high recreation features, transportation costs to the region, short operating season, high startup costs
Opportunities	Linkage to marine cruising and lodge products, soft adventure market – generally well-seasoned travellers, particularly affluent couples
Threats	Usage of Protected Area / Park Airspace

PRODUCT: MOUNTAIN BIKING	
Strengths	Scenery, high value recreation features, logging roads
Weaknesses	Weather, shortage of trails, stiff competition from other regions of BC, small market for guided mountain biking, potential conflicts with other recreational users
Opportunities	Linkage to high recreation features (less rugged terrain linking beaches and other high value features), marine cruising and lodge products. Provides existing tourism operators opportunity to diversify their products.
Threats	Lack of public sector funding to develop and maintain trails. Environmental

	concerns in sensitive areas.

PRODUCT: SKI TOURING	
Strengths	Scenery, access and proximity to population center (PR) and uniqueness of accessible snow close to the coast, strong support from local interests
Weaknesses	Proximity to better snow conditions in the adjacent district, weather, lack of adequate, consistent and reliable snowfall
Opportunities	Linkages to Nordic hut-to-hut opportunities and helicopter access; possible growing niche of backcountry recreationists, mostly local
Threats	Lack of public sector funding to develop and maintain access, possible effects of harvesting on visual quality, competition from Shames Mountain near Terrace

1.7 Community Opportunities

The study area has a blend of high quality tourism attributes and existing market development that is unique in the province. Many of its features are nationally and internationally significant. The following table provides a summary of the product/activity opportunities identified as having the most potential for each of the study area communities. A letter in the table below depicts the resource area with the greatest potential for each activity. Refer to Figure 1-1 for the location of the resource areas associated with each activity for each community.

Trail- & Road-based	Prince Rupert / Port Edward	Metlakatla	Port Simpson	Oona River	Kitkatla	Hartley Bay	Gingolx / Laxgalts'ap
Hiking	D	C, D	C, D	G O, H, I	G O, H, I		
Mountain Biking	D	D	D	G	G		B
Area-based							
Destination Lodge/resort	ALL	C	C, A	G	G	K	A
Heritage/Culture	D	D	C, D, E	G	G	H, K, L	A, B, Q

Wildlife/Natural History (land)	D	D	D, F		H	K, L	B, Q
Air Tours	D, P, ALL	D	D, E, F	G	G	P, L, K	A, B, Q
Hut-to-Hut tours		C	C	G	G, I	I, K	
Ski Touring	D						
Water-based							
Ocean Kayaking	D	C	C, D	G	G, I	L	
Pocket Cruises	ALL	ALL	ALL	ALL	ALL	ALL	ALL
Wildlife/Natural History (marine)	D	C	C, D, E	G	G, J	J	Q

1.8 Community Recommendations

Communities, through entrepreneurs, must develop adventure products in a manner that maximizes community participation, realizes most of the economic benefits of tourism development within the local communities, and develops tourism in a manner that fits with their social and economic objectives.

Communities wishing to expand their tourism product/activity offerings must not only look after the needs of entrepreneurs, businesses and new investment, they must also address more basic economic development issues in the study area. Opportunity development often has less to do with matching resource capability with target markets than with making sure fundamental building blocks that encourage new business activity are in place.

Enhancement of basic infrastructure will contribute to general economic development of remote communities as well as improve opportunities for tourism development.

Entrepreneurs and communities can use this study as tool for furthering tourism development. Detailed feasibility studies may be required to provide more in-depth analysis and planning around specific tourism themes or complex multi-use developments.

2 INTRODUCTION & METHODOLOGY

Clover Point Cartographics has been commissioned by the Ministry of Small Business, Tourism and Culture to identify opportunities for sustainable community-based tourism development in the North Coast Forest District. Working with Clover Point on the project are Geoscape Environmental Planners, Marlyn Chisholm and Associates and Sunderman and Associates. The study area includes the entire North Coast Forest District. Communities in the study area include Prince Rupert, Oona River, Laxgalts'ap (Greenville), Kincolith, Hartley Bay, Kitkatla, Metlakatla, Port Edward and Lax Kw'alaams (Port Simpson). The study compliments a previous FFTOS undertaken in the adjacent Kalum Forest District. A concurrent study in the Kalum Forest District is incorporating the social and economic components for that FFTOS.

2.1 Study Purpose

The information obtained will enable government to support the efforts of individuals, municipal governments, First Nations, tourism groups and economic development commissions to:

- diversify local economies,
- maintain access to recreational resources for local residents, and
- minimize conflicts among resource users.

As the tourism industry grows, demand for the "**Super Natural**" experiences that have become the signature tourism product for the province will continue to increase. This study should contribute to integrated resource and community planning targeted towards economic, social and environmental sustainability. In addition to identifying key opportunities for tourism, this report identifies key issues and constraints that threaten the potential for tourism in the study area and British Columbia.

The analysis is not meant to be either exclusive or exhaustive. The study's objective is to identify those products with the best development capability based on a combination of natural resource, market potential and local development capability.

The ultimate value of this project is in identifying key opportunities and actions required to assist in the priority-setting of key players in tourism planning, and providing further direction to communities, business people and organizations involved in tourism development in the North Coast.

2.2 Scope and Methodology

There were four main objectives for this project::

1. Conduct an inventory of tourism operators, facilities, features, and areas of use
   - Build on existing Forest Recreation and Tourism Resource Inventory data
   - Use existing data and previous studies where available
   - Use first hand interviews and surveys of area tourism operators

- Identify land and resource issues with a bearing on tourism development
- Provide summary statistics on existing tourism activities
- Follow RIC standards for Community–Scale (1:20,000) Tourism Opportunity Studies

2. Create predictive models which evaluate the potential of the natural resource base to support defined tourism activities

- Create up to 10 models (9 created for project)
- Based on digital data collected and input from advisory group
- Use existing MSBTC feature-based models where applicable
- Modify for local conditions, and based on input from advisory group
- Incorporate constraints where applicable and available

3. Undertake an economics-based analysis of Strengths, Weaknesses, Opportunities and Threats (SWOT)

- Use latest market research
- Incorporate results of inventory and modeling
- Maintain close communication with community
- Describe tourism opportunities in 10 tourism product areas (expanded to 11)
- Identify specific opportunities suitable for tenure under Commercial Recreation guidelines

4. Incorporate community involvement throughout the study

- Use local experts (Planning Agencies, Community Groups, First Nations, tourism operators and recreational organizations) as advisory group/steering committee
- Maintain communication with advisory group/steering committee throughout the project
- Incorporate local concerns, constraints and issues
- Prepare tourism development profiles for communities
- Present results (report and map)

The work plan for this project involved the following key steps that were undertaken concurrently:

- Initiation Meeting in Victoria with Ministry and sponsoring agencies.
- Form Advisory Group / steering committee (refer to Appendix A-1 for contact list).
- Planning Workshops / advisory meetings in Prince Rupert held three times (refer to Appendix A-2 for a chronology of events and Appendix A-3 for meeting minutes).
- Site Visits to Gitwinksihlkw and Kitimaat Village (on the study area periphery). Site visits to Lax Kw'alaams and Kitkatla. Visited representatives from Hartley Bay and Oona River.

Telephone conferences with representatives from Kincolith, as well as members of the aforementioned communities (refer to Appendix A-2 for a chronology of events).

- Detailed Survey to all tourism operators grouped into three categories – activities/tours, accommodation, and attractions - using mail, e-mail, fax and telephone (see Appendix C-1 for survey methodology, C-2 for survey results and C-3 for a copy of the survey tool). Over 140 tourism operators and recreation groups were identified. The response rate was 69%.
- Personal Meetings and Telephone Interviews with 46 economic and tourism development representatives and tourism operators for information on product and communities SWOTs and possible regional actions for tourism development (refer to Appendix A-1 for contact list).
- Telephone Interviews with tourism operators outside of the study area for information on key success factors and best practices in product development.
- Review Literature of related tourism and land use planning reports, studies and initiatives (refer to Appendix B-3 for sources).
- Select Key Tourism Products, with assistance from the advisory committee, from a list of 50 provided by MSBTC (refer to Appendix B-1 for the tourism product selection methodology).
- Data Compilation to collect, update, refine and organize information from government agencies and tourism operators. Map tourism features and facilities in the study area (refer to Appendix D-2 for sources and Appendix D-3 for data dictionary).
- GIS-based Predictive Models of the key tourism products (refer to Appendix D-1 for a product modeling methodology and Appendix D-3 for data dictionary).
- Tourism Industry Summary from the global, provincial and northwest perspectives. Trends in tourism and recreation and how the information relates to the North Coast.
- Community Analysis Report for five community groupings. Include the physical, transportation, economic and social settings for the North Coast.
- Key Tourism Product Analysis of resource, market, economic and social criteria (refer to Appendix B-2 for methodology).
- Detailed Tourism Analysis identifying opportunities and related information in more detail, with specific implementation recommendations.
- Project Report and Data incorporating all reports, analysis, and map folios. Digital mapping format to provincial standards.

2.3 Report Structure

There are five main sections to this report, with the majority of the methodological detail contained in the appendices.

- Chapter 3 furnishes some background information to provide context for this study.
- Chapter 4 presents industry structure and visitor market data for the study area.
- Chapter 5 has a community situation analysis, including profiles for most communities.

- Opportunities and recommendations for the development of the 10 key outdoor recreation products in the study area appear in Chapter 6.
- Chapter 7 concludes the report with region-wide recommendations for tourism and community economic development.
- A contact list, chronology of events and meeting minutes are found in Appendix A.
- Appendix B identifies the methodology for key product selection, methodology for key product analysis and SWOT analysis sources.
- Methods and results for the survey component of the study can be found in Appendix C, along with sample survey materials.
- Appendix D provides details of the digital mapping and capability methodology, a data dictionary and digital data sources.
- Appendix E includes tables that describe the assets of each of the resource areas defined for this project.
- Finally Appendix F incorporates a map folio of 11" x 17" maps showing the tourism features, facilities and the outputs of the capability modeling process.

3 BACKGROUND

3.1 Importance of Tourism

The tourism industry is one of the great economic success stories in British Columbia. Tourism British Columbia reports that in 1999 the industry generated over $9.2 billion in revenue, up 4.9 percent over 1998[1]. Revenues are expected to surpass the $9.4-billion mark this year. A record 22.3 million visitors supported 16,500 tourism related businesses in 1999. Almost 113,000 people are directly employed in this sector in the province, not including self-employed workers. Total direct and indirect employment is estimated at about 250,000 individuals. Tourism is the second-largest earner of export (foreign exchange) income in the provincial economy, after wood products.

The forecast is for the steady growth to continue, and there is excellent potential to develop the tourism industry in the study area, as well as throughout the province. Adventure tourism constitutes a major growth sector of the tourism industry -- outpacing every other sector of the Canadian economy. Market demand for the type of travel experience offered in the North Coast and throughout British Columbia continues to grow, as baby boomers age and travel more frequently. The desire among a growing urban-based population to experience a natural setting is one of several key trends stimulating this increase in demand.

A study completed in 1998 found that ecotourism in British Columbia generated $892 million in revenue in 1997 and employed more than 13,000 people, an 11-per-cent increase from the previous year[2]. The provincial Economic Council of Ministers has included ecotourism as a key component in provincial economic revitalization and diversification. Another area with great potential is aboriginal tourism. Last year, Tourism British Columbia signed an accord with the Aboriginal Tourism Association of British Columbia to help develop and promote aboriginal tourism products and services.

Ecotourism/outdoor adventure is one of the fastest-growing sectors of the tourism industry. To support development of this sector, the Ministry of Small Business, Tourism and Culture has developed a three-part strategy[3] that:

- Conducts Tourism Opportunity Studies to help assess the potential for different areas of the province to develop an ecotourism industry;
- Designates "Gateway" communities to serve as focal points for the co-ordinated development of an exciting variety of recreational and cultural activities; and
- Works with industry to develop "Best Practices" that will enhance BC's desirability as an ecotourism destination and ensure that international travellers are satisfied British Columbians are protecting their precious natural resources.

3.2 Tourism and Land Use Planning

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[1] Source of information for this section: MSBTC web-site

[2] Ibid.

[3] Ibid.

In British Columbia community development and tourism and recreation planning is managed by several agencies. The Ministry of Small Business, Tourism and Culture (MSBTC) has the responsibility to ensure that tourism values and interests are available for, considered and accommodated in provincial, regional and sub-regional land, water and resource planning initiatives and in treaty negotiations. The Ministry of Forests (MoF) is responsible for, among other things, administration and management of recreation on Crown Forest Lands. The British Columbia Assets and Land Corporation is responsible for Commercial Recreation tenures on Crown Lands. BC Parks is responsible for recreational and commercial tourism use in Provincial Parks. The Northern Development Commission, established after the Oct. 1997 Premiers Summit on Northern Jobs and Development, has a mandate to establish a long term vision for enhancing job creating and investment opportunities in Northern British Columbia. Forest Renewal British Columbia (FRBC) is an independent Crown Corporation that was established to manage and direct investments to renew British Columbia's Forest Economy. Among their objectives is to support forest communities experiencing major job loss. Fisheries Renewal BC is an independent Crown corporation with a legislated mandate to provide all British Columbians -- including First Nations, commercial and recreational fishers, processors, local government, environmental groups, the sports fishing tourism industry and others -- with meaningful opportunities to participate in provincially-led initiatives aimed at protecting fish and renewing the fishery. The top priorities of Fisheries Renewal BC include programs for recreational fisheries diversification and development and community-based fisheries job creation strategies.

Tourism development planning has traditionally occurred either as regional economic development studies or as site-specific feasibility studies. While each provides useful information, the first does not consider the 'where' question, while the second considers only a predetermined location. A Tourism Opportunity Study (TOS) suggests a way to address the 'where' question across a community-scale region, seeking to identify spatially areas where business-style site feasibility analysis is appropriate on resource and social grounds.

The TOS concept is part of a natural progression for the Ministry of Small Business, Tourism and Culture. Since 1992, MSBTC's Tourism Policy and Land Use Branch as been working to incorporate the tourism industry's requirements into strategic, regional scale land use planning processes. A key tool allowing MSBTC to describe the existing industry and its resource needs has been the Tourism Resource Inventory (TRI).

The TRI uses Geographic Information System (GIS) technology to describe and map the locations of businesses involved in tourism, the resource features of importance, and the routes and areas used by tourism operations. Original information is captured via a survey of tourism operators, supplemented by a variety of other sources, and recorded at a nominal scale of 1:250,000. One key aspect of the TRI is its reliance on data provided by external agencies. A TRI adds value to these datasets through the interpretation of their applicability to tourism products. The TRI also uses predictive modeling to describe the capability of the resource base to support specified tourism products, providing mapping of relative potential across the landscape. Tourism operators are targeted for specific information about operations, and industry leaders are consulted for input on the predictive modeling. However, the TRI is driven by and directed towards provincial management agencies and does not provide adequate detail or appropriate information for sub-regional or community level planning.

The issue of land use planning and its implications for tourism in British Columbia has been an expressed concern for years. At the annual B.C. Tourism Industry Conference held in February 2000, the industry ranked land use and marketing as the two top issues of concern for tourism in the province[4]. Building on the same GIS-based tools as a TRI, a TOS is an information tool that adds a SWOT analysis to incorporate the economic and social priorities of the community. A TOS reflects the current status of local tourism development and provides the detailed information required for sub-regional or community level planning and can be used to identify, develop and promote appropriate, sustainable tourism development opportunities.

A TRI was conducted in the Prince Rupert Forest Region in 1996. Other regional planning efforts include the gap analysis and proposed study areas identified by the Prince Rupert Regional Protected Areas Team (RPAT) under the provincial Protected Areas Strategy. A Land and Resource Management Plan for the North Coast Forest District is anticipated within the next year or two.

This study was initiated by MSBTC, which in 1999 approached several other managing agencies with an interest in tourism development or management of the natural resources to participate and provide funding assistance. Prototype TOSs were completed for Nootka Sound (1998), North Vancouver Island (1998), Prince George (1998) and the Kalum Forest District (1999). These prior studies did not fully incorporate the economic and social criteria as do the current TOSs. Digital data standards were released for Tourism Opportunity Studies in March 2000. In addition to this study, TOSs are concurrently being conducted in the following Forest Districts: Cassiar, Robson Valley, Horsefly/100 Mile House, Campbell River/Port McNeill (portions), Squamish and Fort St. James. A supplemental TOS, incorporating the economic and social analysis, is also being conducted in the Kalum Forest District.

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[4] Council of Tourism Associations

4 THE TOURISM INDUSTRY

Current and future tourism operators in the British Columbia need to be aware of tourism market information to compete in the global market. The future success of North Coast Tourism businesses relies, in part, on the knowing detained information in visitors who travel to the region. With this knowledge, tourism operators can build on current businesses and successfully develop new opportunities.

4.1 Global Tourism and What it Means for British Columbia

4.1.1 Global Tourism Demand

Tourism is the world's largest economic growth sector, and this is expected to continue into the 21st century. It is also the world's largest export earner, and a key determinant of the balance of payments in many countries. Taking both direct and indirect economic activity into account, the tourism sector is estimated to comprise about 11 percent of the global gross domestic product.

Global receipts from international tourism grew at an annual rate of 9 percent between 1980 and 1996, to total $423 billion in 1996.

[5] During the same period, international arrivals grew at an annual rate of 4.6 percent to reach 594 million in 1996. Preliminary results issued by the World Tourism Organization (WTO) in December 1999 indicated that the number of global travellers reached 670 million by the end of the year. Projections are for one billion by year 2010. Tourism earnings are expected to more than double during this ten-year period.

World tourism growth was restrained in 1997-98 because economic problems suppressed Asian outbound travel. With the end of the Asian crisis, there has been a recovery of Asian outbound travel, particularly from Korea, Thailand and Malaysia.[6] European outbound travel to destinations including North America continues to be robust. In 1999, inbound travel to Canada from the Americas grew at 3.7 percent, in contrast with a 1.7 per cent rate inbound rate to the US. The outlook for the year 2000 is for even stronger tourism growth, fuelled by a stronger world economy and special events celebrating the new millennium.

Travel and tourism generates about 100 million jobs worldwide, with most employment occurring in small or medium-sized businesses. The WTO indicates that job creation in tourism is growing 1.5 times faster than in any other industrial sector. All of these optimistic data point to the emergence of the tourism industry as a prime driver in the world economy, and as an importance source of diversification.

With its unique physical, cultural and historical setting, Canada enjoys a significant share of this global tourism activity, and its resources are only beginning to be tapped. Canada presently accounts for 2.9 percent of the world's international visits, two percent of world's tourism earnings and ranks as the world's ninth most popular tourist destination.[7]

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[5] Source: World Trade Organization

[6] World Trade Organization statement, December 1999

Adventure travel and ecotourism are the fastest growing components of the North American tourism industry. Both appeal to middle class or higher income travellers seeking excitement and an authentic outdoor experience. Adventure travel has been defined as follows:[8]

- An outdoor leisure activity that takes place in an unusual, exotic, remote or wilderness destination, involves some form of unconventional means of transportation, and tends to be associated with low or high levels of activity.

Ecotourism generally encompasses those adventure travel experiences with a low impact and non-consumptive nature. Clearly, there is a great deal of overlap between adventure tourism and ecotourism, but neither is well defined, and consequently few sound statistics are available for either category. However, there is little question that the demand for adventure tourism and ecotourism products will continue to swell, as more travellers – domestic and abroad -- with "greening" attitudes seek out unique outdoor experiences.

Canada has the potential to become a world leader in adventure and ecotourism travel. The country has a global reputation for its abundant and pristine wilderness, and its unparalleled scenery. British Columbia holds very strong appeal for North American and overseas travellers drawn to adventure and ecotourism activity. A national study carried out in 1997[9] highlighted several important factors shaping future demand for British Columbia tourism products:

- Based on product appeal/uniqueness, BC adventure/ecotourism products are highly competitive with those in the US.
- The same is true when comparing BC products with those in Europe – while the long distance to Canada make them less accessible from Europe, for many visitors this is offset by the perceived "exoticness" of Canadian wilderness adventure/ecotourism products.
- "Only our most unique Arctic safari type products or Pacific Coast/Rocky Mountain adventures can compete in terms of product appeal/uniqueness with popular international adventures products as African safaris, trekking in the Himalayas…[10]"

Adventure/ecotourism is still a young industry, and the opportunities in British Columbia -- particularly outside the "golden triangle" of Vancouver, Whistler and Victoria -- are relatively untapped. While the backcountry of Canada and BC hold great promise, a lack of infrastructure, poor accessibility and service quality which often does not match that of the US or Europe are all challenges to realizing its full tourism potential.

Despite these challenges, over the next decade British Columbia will take a more dominant role in the Canadian adventure and ecotourism sector, as travellers and recreationists develop more demanding tastes, and go further afield to experience wilderness, culture and history.

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[7] Source: Canadian Tourism Commission

[8] Tourism Canada, February 1995.

[9] The Randolph Group (January 1997). *Adventure Travel and Ecotourism in Canada: Strategic Framework for Development*. Prepared for the Canadian Tourism Commission.

[10] Ibid.

4.1.2 BC Tourism Outlook

Tourism ranks as the tenth largest economic sector in British Columbia (based on GDP activity). In 1998, there were 21.8 million overnight visitors in BC, increasing 1.9 percent over 1997. These visitors injected $8.8 billion in tourism revenue into the provincial economy. Tourism revenue rose to $9.2 billion in 1999. Tourism also generated approximately 112,900 direct jobs in 1998.[11]

Table 4.1-1: Overnight Visitor Activity in BC - 1997 to 2000

	# overnight visitors (millions)	Revenues (billions of $C)
1997	21.4	$8.5
1998	21.8	$8.8
1999	22.2	$9.2
2000 (estimate)	22.6	$9.4

Source: Tourism British Columbia

Tourism BC projects that the total number of overnight visitors to BC will increase to 22.6 million in the year 2000, generating $9.4 billion in revenue.[12] This is a 3.4 percent increase in revenue over 1999. Prosperity in Alberta and Ontario (BC's two largest out-of-province markets), coupled with a low Canadian dollar, are driving this demand growth. US arrivals in BC are projected to increase 3 percent between 1999 and 2000, totaling 5.3 million. Economic prosperity and a weak Canadian dollar drive the projected increase as well.

The rebound of the Asia/Pacific market in 1999 will continue into 2000, with total overnight visitations expected to increase 1.5 per cent. South Korea, China and Taiwan posted the largest gains in 1999, and are likely to be the source of considerable growth in the future. European visitor volumes are expected to grow by 1.6 percent in 2000, with the UK and Germany as the top European revenue generators.

Ministry of Tourism survey data shows that, in 1995/96 British Columbia residents, and those from regional Canada or the USA, accounted for approximately 85 percent of all visitors to BC.[13] In that year, BC residents comprised 61 percent of visitors in the province. More recent data, however, indicates that the share of BC residents has declined to comprise approximately half of the BC's overnight visitor volume.[14] This points to the growing importance of visitors from outside the province.

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[11] Source: BC Statistics, Tourism Indicators.

[12] Tourism BC (2000). *Ibid.*

[13] Tourism BC (1997). *BC Visitor Study: Report on Travel in British Columbia.*

[14] Tourism BC. *2000 Tourism Outlook.*

As a world-recognized transportation and economic hub, Vancouver already has the infrastructure and the profile to attract North American and international visitors. However, a review of world tourism statistics supports the view that Canada gets only a small share of all international travellers, and BC an even smaller share of that. Those that do come to BC are often inclined to stay within the Golden Triangle (Vancouver-Victoria-Whistler), or avail themselves of tourism products that can be accessed relatively easily. Examples include the Rocky Mountaineer from Vancouver to Jasper, the Trans-Canada Highway to Alberta, or features in and around the Lower Mainland or South Vancouver Island. This presents a significant challenge to tourism operators outside Southwest BC who are trying to enlarge their market and attract international visitors.

4.2 Tourism in Northwest British Columbia

Up-to-date and accurate tourism data is largely unavailable for sub-regions of the province. The best source of regional data is derived from a tourism survey conducted by Tourism BC in 1995 and 1996. The results are embodied in the *British Columbia Visitor Study*, a compendium of provincial and regional tourism data that characterizes the resident and non-resident components of the BC tourism market[15].

The 1995/96 survey data is aggregated according to large geographic areas of the province, including the Northwest (or "North by Northwest") Tourism Region. This area covers half of northern BC, from the Alberta border to the Queen Charlotte Islands along the Highway 16 corridor, and north to the Yukon along the Highway 37 corridor. It also encompasses the North Coast Forest District.

The survey results are highly instructive about where visitors to the Northwest come from, their activities and trip characteristics, and the impact that they have on the provincial tourism sector and the provincial economy. However, the reader should keep in mind the following when interpreting the information:

- The data is 4 to 5 years old – a long time for a changing industry like tourism, although the basic characteristics can be expected to be relatively consistent over time; and,
- The data for the Northwest Region pertains to a much larger geographic area than the North Coast.

Some key tourism results for the Northwest Region is presented below.

4.2.1 Visitor Origin

Table 4.2-1 demonstrates that, in 1995/96, other Canadian provinces accounted for the largest share of non-resident travellers to Northwest BC at 38%, followed by Regional US states at 23%. Southern BC, including the GVRD, made up almost three-quarters of resident travellers to the Northwest Region.

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[15] Specific details for the Northwest can be found in the *Destination Report: The Report on Visitors to Northern British Columbia Tourism Region: Northwest*. Tourism British Columbia, 1998.

Table 4.2-1: Visitor Origin			
Non-Resident	Percent	BC Resident	Percent
Regional Canada (Alberta, Saskatchewan, Manitoba, and Territories	38%	Greater Vancouver Regional District	19%
Regional US (Washington, Idaho, Montana, Oregon, and Alaska)	23%	Vancouver Island	10%
Long Haul Canada (other Canada)	9%	South (Lower Mainland excluding GVRD, Okanagan, Kootenays, Cariboo)	55%
Long Haul US (other US)	17%	Other BC	16%
Europe	8%		
Asia	2%		
Other	3%		
Total	100%		100%

4.2.2 Trip Characteristics

Visitors to the Northwest Region are drawn largely for leisure activities (81 percent of non-resident and 86 percent of resident) - primarily visiting friends and relatives, participating in outdoor/wilderness activities, and (in the case of non-residents) sightseeing. Most tourists come to the Northwest Region during the summer months although relatively high proportions (26 percent) of BC residents also travel there during the winter.

The car is the dominant means of transportation for travellers to the Northwest, comprising 77 percent of non-resident and 84 percent of resident travel in 1995/96. Non-residents have a higher incidence of all other forms of transportation.

The distribution of expenditures is distinctly different between non-resident and resident travellers. The largest expenditure category for non-resident was package tours purchased in BC (28 percent), while for resident travellers it was food and beverage purchases.

Table 4.2-2: Trip Characteristics		
Characteristic	Non-Resident	BC Resident
Leisure purposes	81%	86%
Visiting Friends and Relatives	37%	47%
Outdoors/wilderness activities	18%	17%

Table 4.2-2: Trip Characteristics		
Characteristic	Non-Resident	BC Resident
Sightseeing (General)	29%	4%
Sightseeing (City/town)	8%	1%
Sports Events	0%	9%
Personal matters	3%	1%
Arts/culture events	1%	2%
Other	2%	6%
Business purposes (by season)	19%	14%
Spring	14%	11%
Summer	62%	49%
Fall	12%	13%
Winter	12%	26%
Transportation within BC		
Automobile	77%	84%
Ferry with car	18%	9%
Plane	13%	7%
RV/Camper	18%	7%
Motorcoach/bus	13%	7%
Rail	4%	2%
Cruise ship/charter or boat rental	10%	1%
Taxi, city bus	16%	4%
Ferry without car, other	9%	2%
Expenditures		
Food and beverage	19%	30%

Table 4.2-2: Trip Characteristics		
Characteristic	Non-Resident	BC Resident
Accommodations	14%	18%
Transportation	16%	21%
Souvenirs and gifts	6%	7%
Packaged tours purchased in BC	28%	N/A
Outdoor activities	3%	6%
Attractions and cultural events	1%	5%
Other expenses	15%	12%

Source: *BC Visitor Study: Northwest Region*

Survey results show that the activities preferred were related largely to culture and the outdoors. As Table 4.2-3 below shows a large proportion of both resident and non-resident visitors were drawn to land-based activities.[16] 93 percent of BC resident visitors to the Northwest visited friends or relatives. While there is insufficient information regarding resident visitors, the results showed that non-BC residents were attracted to cultural events and venues, sightseeing and fishing, with these activities accounting for 65 percent of non-resident activity.

Table 4.2-3: Activities in the Northwest Region			
		BC Residents	
	Non-Resident (%)	Total Residents (%)	Northern Residents (%)
Art galleries/museums/exhibits	25%	N/A	N/A
City & town sightseeing	16%	N/A	N/A
Freshwater fishing	15%	N/A	N/A
Country sightseeing	9%	N/A	N/A

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[16] It should be noted that this refers to the entire Northwest and that land-based activities probably comprise a smaller proportion on the North Coast, where fishing and boating are two of the greatest draws.

Visiting friends or relatives	8%	93%	94%
Zoos/natural displays/gardens	8%	N/A	N/A
Hiking/backpacking	7%	N/A	N/A
Nightlife	4%	87%	N/A
Resting/Relaxing	5%	N/A	N/A

Source: *BC Visitor Study: Northwest Region*

Table 4.2-3: Activities in the Northwest Region			
		BC Residents	
	Non-Resident (%)	Total Residents (%)	Northern Residents (%)
Outdoor Activities			
Land-based activities (net)	59%	47%	40%
- Visiting national/provincial park	43%	19%	17%
- Wildlife viewing/bird watching	50%	33%	30%
- Hiking/backpacking	14%	24%	19%
Winter activities (net)	1%	3%	6%
- Downhill skiing/snowboarding	1%	3%	5%
Fishing (net)	16%	19%	17%
- saltwater	5%	N/A	N/A
- freshwater	15%	N/A	N/A
Boating (net, BC residents)	N/A	14%	13%
Photography	46%	38%	27%
Sightseeing	N/A	41%	34%
Golfing	3%	12%	12%
Attractions/culture/events			

Events (net)	12%	12%	9%
- Local festivals/fairs/events	9%	12%	9%
Attractions (net)	57%	31%	25%
- Zoos/natural displays/gardens	24%	11%	6%
- Historic sites	43%	19%	12%
- Native Indian cultural sites	26%	15%	15%
- Art galleries	28%	15%	15%
- Wineries/farm tours	1%	2%	3%

Source: *BC Visitor Study: Northwest Region*

N/A indicates insufficient sample size or no information available

4.2.3 Summary of Northwest Visitors

In 1995/96, over 2 million travellers visited the Northwest Region of British Columbia. Three quarters of these visitors were BC residents. They spent $425 million during their stays, accounting for 7 percent of all visitors to BC during that time, and 5 percent of total provincial tourism expenditures.

While the average length of stay and expenditure per trip were higher for non-resident visitors, resident travellers in the Northwest accounted for ten per cent of total BC tourism expenditures, compared with the 2 percent ascribed to non-resident travellers. There is little question that, due to their sheer numbers, BC resident visitors are the key drivers of the tourism sector in Northwest BC.

Table 4.2-4: 1995/96 Northwest Traveler Summary Results

Category	Non-Resident	Resident	Total
Annual No of Travellers	593,000	1,606,000	2,199,000
Annual Revenue	$139,000,000	$284,000,000	$425,000,000
Percent of BC Total Travellers	5%	9%	7%
Percent of BC Total Expenditures	2%	10%	5%
Average Expenditure per Trip	$234	$178	$196
Average Length of Stay	4.4 nights	3.4 nights	3.7 nights

Source: *BC Visitors Study Northwest Region*

The foregoing information provides a good "snapshot" of vistors and their activity the Northwest Region, however it does not tell us what specifically is happening on the North Coast, or what trends are driving the tourism industry, now and in the future.
These are both addressed in the remainderof this section of the report

4.3 Tourism in the North Coast Forest District

4.3.1 Tourism Activities and Trends

The North Coast tourism industry can be viewed as having two distinctive components: catering to visitors traveling through the area and tourists coming to the area to enjoy a specific holiday experience.

Tourism in the North Coast is currently very dependent on visitors traveling through the area on their way to other destinations. Specifically, the BC Ferry traffic and the Alaskan Ferry system both use Prince Rupert as a key terminus in their respective systems. Prince Rupert receives the majority of the benefits in the North Coast by providing the goods and services that the traveling public needs. The key elements supporting the through-traffic in Prince Rupert are the accommodation and food services industries.

Employment in the accommodation and food services sector has increased by a remarkable 87 percent between 1995 and 1998 in the North Coast and Nechako Development Regions.[17] This was a period when the overall employment in these two development regions did not change at all and several goods-producing sectors actually saw declines in employment levels.

Traveling to the North Coast for specific holiday activity is also growing, particularly within the adventure tourism activities. Among the adventure tourism products in the North Coast, only recreational fishing could be considered an established activity. For the most part, all other products are in their initial growth phases.

Several key indicators including room revenues, provincial park data, visitor information numbers, and recreational fishing data are discussed below with recent trends and the visitor activities highlighted.

4.3.1.1 Room Revenue

Currently in the North Coast, room revenues accrue almost exclusively to Prince Rupert. Accommodation facilities within Prince Rupert have depended significantly on through-traffic generated by the two ferry services. This makes June and July the busiest months for accommodation businesses in Prince Rupert, and in 1998 the four months from June to September generated 54 percent of the total room revenue. In contrast, the four months from June to September only generated 39 percent of the total room revenues collected in neighbouring Terrace in 1998.

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[17] Values for the North Coast Development Region only are not available due to data suppression by Statistics Canada.

This also has helped facilitate growth in the accommodation sector within Prince Rupert, which typically generates approximately twice the room revenues as neighbouring Terrace despite the fact that the communities are similar in population. In 1998 Prince Rupert had 912 accommodation rooms to Terrace's 490 accommodation rooms.

Table 4.3-1 outlines the room revenues for Prince Rupert between 1991 and 1998. Between 1991 and 1995 room revenues grew by 30 percent in Prince Rupert; this is a comparable rate to what was experienced elsewhere in the province. However, in 1997 and 1998 room revenues dropped sharply in the community while provincially room revenues continued to show strong growth. The sharp declines in 1997 and 1998 can partially be attributed to impacts within the local forestry and fishing industries and partially by negative implications from the Alaskan Ferry blockade.

Table 4.3-1: Room Revenues in Prince Rupert - 1991-1998 ($ Thousands)

	1991	1992	1993	1994	1995	1996	1997	1998
Prince Rupert	5,853	6,061	6,370	7,385	7,660	7,593	6,772	6,508

Source: BC Statistics

4.3.1.2 Provincial Park Use

BC Parks collects information on two provincial parks on the North Coast – Diana Lake and Prudhomme. Diana Lake is exclusively for day use while Prudhomme is used both for day use and overnight camping. For both provincial parks July remains the busiest month while the period from June to September is the period of greatest park use on the North Coast Forest District. BC Parks has conducted periodic visitor surveys for Diana Lake and Prudhomme provincial parks. Table 4.3-2 outlines the residency of the visitors identified in these surveys.

Table 4.3-2: Residency of Provincial Park Visitors

	1988	1994	1999		1989	1994	1998
Diana Lake (Day Use)				Prudhomme (Campground)			
BC	86%	90%	93%	*BC*	54%	38%	58%
Alberta	1%	5%	0%	*Alberta*	16%	12%	11%
Washington/Oregon/California	2%	1%	1%	*Washington/Oregon/California*	7%	12%	8%
Other (mostly other Canada & US)	11%	4%	6%	*Other (mainly other Canada & US)*	22%	38%	23%

Source: BC Parks

For Diana Lake Provincial Park the number of BC visitors is very high with a significant number of this day use being generated by people from the Prince Rupert area. Overnight camping visitors at Prudhomme Provincial Park give a better indication of tourism visitors to the region. Over the past decade the non-BC share of the visitors has remained constant.

At Diana Lake Provincial Park the number of repeat visitors among daytime users is very high and has risen between 1988 and 1999. In 1988, 77 percent of visitors to Diana Lake were repeat users and by 1999, 83 percent of visitors were repeat users. For overnight use at Prudhomme Provincial Park the number of repeat users has risen marginally from 31 percent in 1989 to 37 percent in 1998. Overnight visitors are tending to stay longer at Prudhomme Provincial Park with the average length of stay rising from a one-night stay in 1989 to 1.5 night stays in 1998.

Table 4.3-3 outlines attendance for the two provincial parks for the period between 1990 and 1999. Day use and campground use has fluctuated throughout the 1990s at the two parks.

Table 4.3-3: Provincial Park Attendance (1990 to 1998)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Diana Lake										
Day Use (in Parties)	10,386	9,819	13,058	10,281	7,669	7,762	7,634	8,417	7,734	5,078
Prudhomme										
Day Use (in Parties)	6,740	7,423	9,148	6,764	8,306	6,167	6,409	4,274	5,561	5,637
Campground (in Parties)	1,424	1,082	1,408	1,349	1,596	1,714	1,591	1,567	1,686	1,328

Source: BC Parks

4.3.1.3 Visitor Information Center Registrations

Visitor information centres collect several types of information from the people that visit their facility. While visitor information is useful, not all groups typically visit the centre: therefore groups such as regional shoppers and repeat visitors who have a destination in mind are under- represented. However, this information is still valuable in identifying behavior and patterns for other types of visitors. Table 4.3-4 summarizes travel information statistics collected between 1997 and 1998 by the Prince Rupert Tourism Information Centre.

Several interesting trends are revealed through the data:

- Over 25 percent of enquiry's have consistently come from Europeans;
- Typically 10 percent of visitors have Prince Rupert as their destination;
- The vast majority of respondents stated they spend one to three days of their trip in the country; and

- Sightseeing is identified by three-quarters of the visitors as their main purpose for the trip, with outdoor activities following a distant second with 15 percent of respondents.

This last statistic is somewhat puzzling within the context of the earlier discussion regarding the popularity of wilderness and adventure products. It either points to the fact that wilderness/outdoor tourism is still in its inception on the North Coast, or that visitors coming to Prince Rupert specifically to participate in these types of products are less inclined to make enquiry's at Visitor Information Centres.

Table 4.3-4: Prince Rupert Travel Information Centre Statistics

Description	1999	1998	1997
Visitor Origin			
North America	51%	42%	37%
Europe	28%	29%	25%
BC	13%	18%	17%
Tourism Region	4%	8%	11%
Asia	2%	1%	6%
Other	2%	2%	4%
Visitor Destinations			
Multiple BC	58%	52%	43%
Tourism Region	18%	13%	18%
Your Community	9%	14%	12%
Other BC	8%	3%	9%
Outside BC	7%	18%	18%
Nights in Country			
Same Day	4%	11%	13%
1 – 3	75%	67%	72%
4 – 7	10%	11%	12%
8 – 14	2%	3%	2%

15+	9%	8%	1%
Main Trip Purpose			
Sightseeing	76%	74%	66%
Outdoor Activities	15%	10%	14%
Personal	4%	5%	3%
Visiting Friends	2%	4%	10%
Business	2%	4%	2%
Cultural Events	1%	1%	3%
Sports Events	1%	1%	1%
Shopping	1%	1%	1%

Source: Prince Rupert Visitor Information Centre

4.3.1.4 Recreational Fishing

Recreational fishing is an important element of the overall tourism sector. In the North Coast there are almost 50 saltwater fishing charters and one freshwater fishing charter. There are also nine fishing camp (floating lodge) operations in the North Coast. Recent declines in salmon runs have reportedly impacted local operators. The Department of Ocean and Fisheries recreational license data for District 8, which includes Port Edward, Prince Rupert, Smithers, Stewart, and Terrace, shows that license purchases have declined among resident recreational fishers and remained relatively constant among non- resident fishers.[18] Table 4.3-5 outlines the values for non-resident and resident licenses between 1995 and 1998.

Table 4.3-5: Selected Saltwater License Category Purchases (1995 and 1998)

License Category	1995	1996	1997	1998
Non-Resident (1 day licenses)	913	1,083	1,054	1,037
Non-Resident (other Licenses)	904	1,056	1,065	1,077

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[18] Resident refers to residents of British Columbia.

Annual Resident	7,427	5,237	5,482	4,874

Source: Department of Ocean and Fisheries

Table 4.3-6 shows freshwater fishing statistics from the 1995 National Survey of Anglers conducted by the Department of Fisheries and Oceans. The majority (75%) of freshwater anglers were BC residents. The number of anglers has seen a modest 3.9% increase in the Skeena Region since 1990. The Skeena Region accounts for 12.3% of BC anglers and 10.8% of the number of days fished in BC.

Table 4.3-6: 1995 Freshwater Sport Fishing Activity

	Number of Anglers	Percent of Total Anglers	Number Days Fished	Percent of Total Days Fished
Skeena Region	44,962	100%	604,136	100%
BC Residents	32,714	73%	512,419	85%
Other Canadians	4,565	10%	30,765	5%
US Residents	5,536	12%	38,648	6%
Other Non-Canadians	2,146	5%	22,313	4%

Source: BC Ministry of Environment, Lands and Parks

4.3.2 Tourism Operations in the North Coast

Tourism businesses are categorized in an effort to determine the characteristics of infrastructure and resource dependency of the operations. The user survey applied for this project asked businesses to identify their primary type of business. The Ministry of Small Business, Tourism and Culture tourism operator database, updated as a component of this project, identifies the following as the mix of tourism operators.

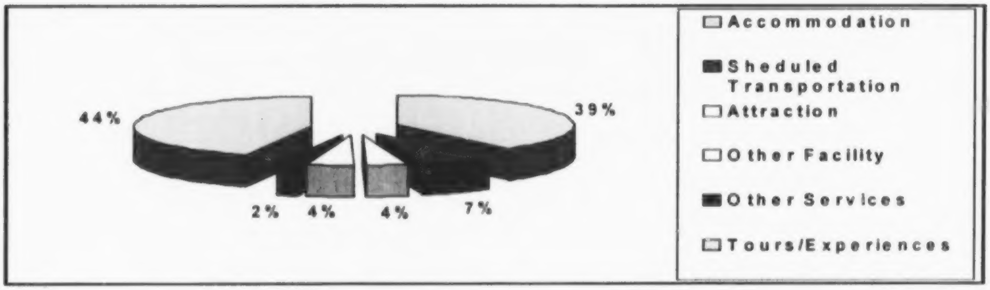

Table 4.3-7: Tourism Business Types	
Accommodation only	30
Tour/Experience provider with overnight accommodation (excluding charter boat operations.)	17
Tour/Experience provider with overnight accommodation (charter boat operations only)	26
Attraction (museum) with Accommodation	1
Attractions (art/culture based)	4
Attractions (museums)	3
Tours/Experiences only	36
Tours/Experiences and scheduled transportation	5
Scheduled Transportation only	7
Marina only	7*
Golf Course	1
Vehicle Rental	2
Other Rental (retail store with rental)	1
Total	140

* Not included in this summary or in the database are 7 government docks (Alice Arm Oona River, Hunts Inlet (Porcher Island), Port Simpson, Prince Rupert, Kincolith, Laxgalts'ap (Greenville) and Alice Arm.

The type of tourism services or products provided in the North Coast are further summarized in the following tables. A number of tourism operators provide two or more distinct tourism products. For example an accommodation facility such as a lodge or bed and breakfast may also offer tours or experiences. Each is given an equal weight. Full table summaries can be found in Appendix C-2.

ACCOMMODATIONS

Codes	Description	TOTALS
A01	Hotel	7
A02	Motel	6

ATTRACTIONS

Codes	Description	TOTALS
T01	Museum	3
T02	Arts/Culture/Heritage	6

A03	RV/Campground	2
A04	Lodge/Resort	2
A09	Bed and Breakfast	21
A12	Cruise Ship	2
A13	Vessel Lodge	9
A15	Charter boats	26
	Total	75

T09	Golf - public	1
T12	Marina - public (7 government docks)	0
T13	Marina - private	7
T16	Rental only (retail store)	1
	Total	18

TOURS / EXPERIENCES

Codes	Description		TOTALS
R03 *	Marine charters, salt		65
R03 Activities:	Primary	Secondary	
F21 Saltwater Fishing	50	5	
B07 Sailing	4	1	
B20 Sea Kayaking	1	4	
M08 Boating (motorized)	5	26	
Q05 Culture/ Heritage	1	2	
Q06 Large Land	2	6	
Q07 Large Marine	2	39	
B08 Scuba Diving	-	18	
2R04	Marine charters, fresh		3

SCHEDULED TRANSPORTATION

Codes	Description	TOTALS
P03	Marine	4
P05	Air	4
P08	Bus	3
P09	Rail	1
P20	Car Rental	2
	Total	14

R05	Air tours/charters	5
R07	Kayak/Canoe	7
R08	Bus tours	4
R11	Hiking/Mountaineering/ Nature	2
R12	SCUBA/snorkeling	4
R19	Other	3
	Total	93

* Marine Charters (salt) includes an expansion into the associated activities.

4.4 Trends in Tourism and Recreation

Tourism is a global and multi-faceted industry, driven by many influences. A wide range of activities also characterizes tourism and niches are changing as tourist preferences evolve. While the main emphasis of this report is on wilderness activity and the ecotourism market, it is important to provide a context by identifying some of the key forces driving the demand for tourism. In this section, key factors shaping the nature of the market for tourism are identified, and the meaning for tourism development in the region is discussed.

4.4.1 Social and Demographic Trends

Population and Life Stage: The North American population is growing and getting older. Between 1946 and 1964, approximately 10 million Canadians and 75 million Americans were born. This age cohort, the Baby Boomers, accounts for one third of all Canadians today, and 28 percent of all Americans. As the Boomer cohort has advanced through life, it has been a major market force, dominating earnings, savings, and consumption patterns no like previous generation. The Boomer cohort entered its highest earning years[19] beginning in 1991. This phase will wind down by year 2018, as the youngest Boomers move past age 55.

The Baby Boomer generation is the first to enjoy widespread travel, even at a young age. This can be ascribed to the dramatic growth in the post-war economy – with corresponding rises in family incomes – and the global build up of transportation infrastructure, making travel far more accessible than in the past. With travel as an integral part of their lives, Boomers can be expected to continue travelling throughout their lives, although their preferences and needs will change. These forces have profound implications for current and future tourism demand.

The Baby Boomer cohort is widely recognized as the primary target for marketing tourism products. A large share of the Canadian Tourism Commission's marketing budget is directed at the

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[19] Generally between ages 45 to 55.

45+ market, due to its size and long term prospects. While many in the Boomer generation still travel with their families now, these families will grow up, leaving empty nesters with more disposable income to spend on travel. This points to a growing demand for holidays that cater to couples, and provide a high level of service.

More income is now being concentrated in the hands of the Boomers as they experience their peak earning years, and as the result of inter-generational transfers, in the form of inheritances. Part of this discretionary income will be spent on travel. Increasingly, travellers are seeking, and can afford, "high-end" vacations that offer high quality services and a degree of luxury, such as stays at destination resorts, or marine cruises.

The age 35 to 44 segment of the population also represents a significant market for tourism activities. This age group tends to travel with their families, or seek more active, adventure-oriented holidays.

"Time Poverty": Time – and its availability – is a key determinant of tourism demand. People with families and/or at the peak years of their career are experiencing a leisure time squeeze. While they have the money to travel, travellers short on time generally pursue shorter, more frequent holidays, often within the same time zone. There is also a trend towards combining holidays with business travel. This has led to an increase in the popularity of hassle-free, all-inclusive holiday packages.

Consumer tastes and attitudes: Here at the beginning of the 21st century, the high standard of living in the western economies has produced travellers who are more highly educated, and well traveled, than ever before. They also have a much larger choice of tourism experiences, both domestically and abroad. Travel is no longer a novelty.

As the choice of tourism products grows, many tourists are turning away from conventional, group-oriented holidays to experiences that offer more than just escape. Tourist preferences are evolving as society becomes more affluent and industrial, away from mass consumption and towards meaningful experiences that add value to one's total experience. This re-shaping of consumer attitudes is, in part, fueled by environmental concerns.

Many tourists today are seeking an "authentic" experience. While there is clearly still a market for mass travel destinations, there is a significant and growing market for travel experiences that engage the participants in active, genuine and unique events, for example:

- wildlife viewing in a natural setting, rather than at a zoo or aquarium;
- winter activities in the Yukon (which draws many German tourists annually);
- guided bicycle tours in California vineyards;
- ocean kayaking at a pristine and uncrowded beach location; or,
- pocket cruises that offer unique wildlife viewing or access to hotsprings.

These experiences often involve some element of physical or mental challenge, and confer a sense of achievement. Increasingly, travellers want to learn as part of their vacation. This marks an important shift in tourist preferences away from contrived or staged experiences to those which impart enrichment, learning, and a special experience. It also points to continuing growth in the demand for adventure tourism products.

Strenuous activities or hard adventure experiences requiring some degree of stamina and fitness will generally appeal to younger age groups (e.g., ages 24 to 35, or younger). Hard adventure refers to products like whitewater rafting, heavy trekking, mountain climbing, cross-country skiing or kayaking. Soft adventure is considered travel with mild physical activity to an interesting area with comfortable accommodation, emphasizing visual excitement. It encompasses activities such as wildlife and bird viewing, on-road bicycle tours, and boating. Soft adventure products are particularly appealing to Baby Boomers and older travellers.

The operator who is marketing a specific product should carefully consider his or her target market, and practical considerations such as time availability, physical limitations and family needs. For example, affluent people in their peak earning years are often the ones who can best afford heli-skiing. However, they may not have the time, money, or the stamina, to ski for more than three or four days. It is therefore important to develop the product accordingly, and to make other activities available to these visitors and their families during their stay.

Ecotourism is the fastest-growing tourism product area today, and one with a great deal of potential in Canada. It generally involves low-impact nature-based experiences and emphasizes learning (biology, history or culture). Trip length varies tremendously, and is generally determined by activity and destination, rather than market. Recent ecotourism research shows that ecotourists are interested in more than the conventional hotel/motel options, or camping. They indicate a preference for rustic, intimate and adventure-type accommodations.[20] The most popular activities in this niche are predicted to be hiking, camping, boating, fishing and cycling. Ocean kayaking, particularly relevant to the North Coast, is one of the fastest growing segments of the marine sport industry, and there is a growing market for kayak tourism to exotic destinations all over the world.[21]

Travellers are interested in experiencing new cultures and, in Canada, there is a fascination with the aboriginal people and their cultures. Ecotourism is a good fit with aboriginal tourism because both niches appeal to a similar market, and in both cases value is placed on the preservation of the attributes and people of an area. Aboriginal tourism holds significant potential on the North Coast because of its integral role in the history of the region, and its widely acknowledged importance from the perspective of culture, history and archaeology.

An Angus Reid poll in 1993 elicited travellers' interest in Canadian aboriginal tourism products. The results show a high level of interest in visiting heritage sites and in purchasing aboriginal crafts and art. Europeans, in particular Germans, demonstrate an interest in aboriginal tourism while Asian interest is generally low. Industry representatives point out, however, that while visitors are interested in aboriginal culture, it does not generally comprise a draw in and of itself.[22] It is generally seen as one interesting element of a larger tourism product.

4.4.2 Global Economic Growth

As a "luxury" good, tourism demand fluctuates with economic cycles. This was demonstrated in 1999, when international tourist arrivals grew by four to five percent, after two years of "flat" growth. The World Tourism Organization points out that these estimates reflect a notable recovery of Asian outbound travel, with the end of the Asian economic crisis in 1997 and 1998.

While the tourism sector will continue to grow in Canada and abroad, periodic economic downturns will have a direct effect on year-to-year tourism activity. Exchange rate fluctuations will also clearly have an effect on the marketability of Canadian tourism experiences vis a vis those in other countries, as they have in the past.

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[20] Wight, Pam and Associates (March 1999). Market Analysis for Gwaii Haanas National Park Reserve/Haida Heritage Site. Prepared for Archipelago Management Board.

[21] Wight, ibid.

[22] Discussion with tourism broker, February 2000.

4.4.3 Technology and the Internet

The explosion of the Internet in all aspects of our lives is beginning to revolutionize marketing, planning and booking trends in the travel industry. A web-site on the Internet is now essential for most tourism operators hoping to attract visitors. The World Tourism Organization Business Council recently released a study that reveals that the four main tourism generating markets worldwide are also the four biggest users of the Internet. As a group, the United States, Germany, Japan and the UK account for two-fifths of world travellers and close to 80 per cent of Internet users. The WTOBC states that "if a destination is not on the Web then it may well be ignored by the millions of people who now have access to the Internet and who expect that every destination will have a comprehensive presence".[23]

The Internet provides not only a huge electronic marketplace, but also cost benefits. In this sense, it is a great "equalizer". The Internet presents a very economical and direct way for operators large or small to make their product known to a wide audience, at a relatively low cost.

The Internet is also becoming an important travel-booking tool. Prospective buyers are using it to evaluate products and, often, to buy their travel products. Some selected examples are as follows.

- E-ticketing is now available on American Airlines, Canadian Airlines, and several others (announced November 1999). Other carriers, such as Air Canada, are expected to come on line early in 2000.
- Reservations and tickets for travel on BC Ferries, rail tours like the Rocky Mountaineer, and at many hotel and other accommodations throughout BC, can be purchased on the Internet prior to travel.
- More travel agencies affiliated with Cruise Lines International Associates (CLIA) are using the Internet for conducting business and marketing. One third of these agencies took bookings from a client via the Internet in 1999.[24]

Tourists today are drawing from a greater selection and desire to maintain more control of the products they choose. Technology and the Internet are instrumental in helping to meet these requirements.

4.4.4 Competition

There is growing concentration in the North American tourism sector, marked by a small number of large operators, and a large number of smaller, niche tour operators. Small operators who are unable to compete on the basis of price or quality in the mass markets can choose to merge with larger operators or focus on delivering in a specialty, niche market.

The trend towards concentration is an important one to note on the North Coast, where the market is fragmented and characterized by several, competing operators. To compete in the world market, the North Coast needs to be jointly marketed as a "product" with its own image. This means a united effort by operators in the area to develop an image (the North Coast as a product) that can be promoted worldwide. The North Coast shares spectacular features with other "exotic" destinations (for example New Zealand or Ireland), but it lacks a global profile.

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[23] World Tourism Organization Business Council (1999). *Marketing Tourism Destinations Online: Strategies for the Information Age.*

[24] Cruise Lines International Association (1999). *Benefits Study.*

On the demand side, travellers are becoming more demanding about what they buy and how much they pay. They are growing less confident in the ability of travel agents to deliver the best price. For this reason, more are turning to the Internet for pricing. While a relatively new phenomenon, Internet bidding sites for travel are growing and will continue to be the place where consumers go to buy their travel products. Websites like www.expedia.ca and www.priceline.com effectively provide a global marketplace for travel, and other, products.

Increasingly, tourism operators will be called upon to deliver flexible pricing, and to meet specific needs. This means more focused and customized holiday packages.

4.5 What Does This Mean for Tourism on the North Coast?

- Future tourism growth in Canada and British Columbia will be driven by interest in outdoor experiences, particularly those in the soft adventure market and ecotourism.
- The North Coast has the attributes and appeal to draw domestic and international visitors seeking authentic wilderness and adventure experiences. The demand exists for what the North Coast has to offer and more travellers are being attracted to British Columbia every year. The challenge is to draw visitors off the beaten path to some of British Columbia's most spectacular, and lesser known, wilderness and scenery.
- Ecotourism and experiences emphasizing aboriginal culture hold particular promise for the North Coast.
- The demand for outdoor and wilderness experiences is here to stay. In the long term, as carrying capacity is approached at other tourism destinations elsewhere in BC and the world, the North Coast will continue to be valued, and sought out, for its pristine qualities.
- BC residents comprise as many as three-quarters of the visitors to Northwest BC. While tourism demand from outside the province will continue to grow, tourists who reside in BC will continue to be an economic mainstay for the North Coast.
- There is a need for operators to fully understand their market, and to ensure that the product matches the market. Factors such as age, abilities, time constraints and preferences should be taken into account when developing, and marketing, a new tourism product. Operators who choose to concentrate on drawing visitors from outside BC and from abroad need to know that, in the global tourism market, Canada is seen as one of many tourism products. Most non-resident or international tourists will only be attracted to outstanding and unique experiences that offer a level of service and quality on a par with other exotic destinations.
- Competition between operators and products is stiff, and this will continue to be the case. Operators need to find market niches or align with other operators or partners in order to avoid being squeezed out by larger interests. Clearly, strategic use of the Internet is one way of ensuring a broad market with relatively low costs, in a market where this is now a basic expectation.

5 COMMUNITY SITUATION ANALYSIS

5.1 Physical Setting

The North Coast Forest District is located within the Prince Rupert Forest Region, on the north coast of British Columbia. It covers 1.95 million hectares, and is approximately half the size of Vancouver Island. The North Coast Forest District encompasses the North Coast Timber Supply Area, Tree Farm License 25, and fourteen provincial parks and recreation areas, including Khutzeymateen Park, Canada's first grizzly bear sanctuary. The terrain, encompassing three biogeoclimatic zones, is largely mountainous with many narrow inlets, and is characterized by spectacular wilderness features, and abundant natural resources. The North Coast also has a diverse array of terrestrial and aquatic wildlife.

The North Coast Forest District study area (hereinafter referred to as the North Coast) extends from Klemtu at the south end to just south of Stewart, BC near the Alaska border at the northernmost end. It is approximately 400 kilometres long by 90 kilometres wide.

5.2 Economic and Social Setting

In 1996, there were approximately 20,115 residents on the North Coast, with 85 percent living in Prince Rupert. This figure includes the community of Stewart, which is just outside the area boundary, but has a large influence in the northern portions of the North Coast. The figure represents an increase of more than two per cent since 1991 which is relatively low compared to the total provincial population which increased by almost 14 per cent. By 2001, the area is expected to grow by another five to six per cent to about 21,000 people.

The regional economy is largely dependent on the fishing sector, with forestry and Prince Rupert's role as a major service/distribution centre for the Northwest also accounting for a large share of economic activity. The key industrial generators in the study area are:

- the commercial fishing industry, including several fish processing facilities;
- the Skeena Cellulose pulp mill, located in Prince Rupert;
- bulk coal loading facility and grain terminal on Ridley Island; and,
- general cargo facility at Fairview Terminal.

With the decline of the salmon fishery during the past decade, tourism has grown to occupy a prominent role in regional economic development, and a very strong service sector has developed accordingly, particularly in Prince Rupert. As Prince Rupert is a key link for ferry traffic to/from Vancouver Island, the Queen Charlotte Islands and Alaska, and the CN Rail service to/from Prince George and Jasper, it enjoys large numbers of visitors during the summer months. Many of these visitors are transferring from one transportation mode to another.

The residents of the North Coast have a deep and abiding sense of history. Different parts of the North Coast fall within the territorial land claims area of the Tsimshian or the Nisga'a First Nations. Portions of the traditional territories of the Haisla Nation, the Heiltsuk Nation and the Gitanyow Nation fall within the study area. Each has a distinct culture, and a number of well-established communities that are integral to the social fabric of the North Coast.

The North Coast's unique history lends itself to the tourism industry. For example, the North Pacific Cannery in Port Edwards documents the history of the area's First Nations community as well as that of early European settlers.

The key communities on the North Coast are:

- Prince Rupert,
- Lax Kw'alaams (Port Simpson),
- Laxgalts'ap (Greenville)
- Port Edward,
- Metlakatla,
- Hartley Bay,
- Oona River,
- Kitkatla, and,
- Gingolx (Kincolith).

In addition, there are several tiny communities scattered throughout the North Coast. The key communities are profiled in more detail later in this report.

5.3 Transportation Setting

5.3.1 Introduction

Those who do not live on the North Coast commonly hold the view that the region is somewhat "remote" because of its distance from southwest BC. However, the North Coast does enjoy good access and diverse transportation connections. The City of Prince Rupert is the northwestern hub for air traffic, ferries, rail and ocean freight – it is also the western terminus of the Yellowhead Highway 16. The other communities of the North Coast can be reached by road, air or water transportation.

5.3.2 Road Transportation

The Yellowhead, Trans Canada Highway 16, is the principal road connection between the North Coast and the rest of BC and North America. It runs east-west through the North Coast Forest District, connecting Prince Rupert to Terrace and Prince George and, further east, Edmonton and other Canadian cities. At Prince George, the Yellowhead intersects with Highway 97, British Columbia's principal north-south highway corridor. Minor secondary highways link Port Edward and Ridley Island to the Yellowhead.

The provincial Ministry of Transportation and Highways (MOTH) tracks highway traffic at location counters throughout BC. The counters provide information on Summer Average Daily Traffic, which incorporates both year-round regional and tourist traffic. In the Northwest Region[25], there are three counters relatively close to Prince Rupert. Traffic data from these counters show that between 1990 and 1998 the trend in traffic growth has been either relatively constant or declining. The SADT/AADT (Summer Average Daily Traffic/Average Annual Daily Traffic) ratios indicates that tourism traffic significantly boosts daily volumes during the summer months at the counters located 0.3 km east of Port Edward Road, and at Green River Bridge. The SADT at each of these two counters was 1,700 in 1998. While 1998 data is not available for the counter at Galloway Rapids Bridge, SADT at this counter was 3,550 in 1996.

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[25] This refers to MOTH's Northwest Region, which encompasses all of the North Coast Forest District.

Table 5.3-1: Annual Traffic Statistics

Location of Traffic Counter	Summer Average Daily Traffic on Highway 16 near Pr. Rupert					SADT AADT (1995-98)	growth trend 1995-98
	1990	1995	1996	1997	1998		
Galloway Rapids Bridge, 10 km E. of Pr. Rupert	4,700	4,700	3,550	n/a	n/a	1.05	declining
.3 km E. of Pt. Edwards Rd. 10.5 Km East of Pr. Rupert	1,848	2,000	2,000	1,800	1,700	1.42	declining
Green River Bridge, 1.6 Km W. of Tyee Station, E. of Prince Rupert	1,900	2,250	2,150	2,150	1,700	1.32	declining

Source: *Ministry of Highways and Transportation*

In 1998, truck traffic comprised between 7 and 8 percent of total traffic entering and leaving Prince Rupert. (To provide some context for this, the truck share of traffic was just over one percent at the south end of the First Narrows Bridge in Vancouver in 1994-1995, and 9.5 percent at the north end of the Port Mann Bridge in Coquitlam.[26])

5.3.3 Air Transportation

The Prince Rupert Airport, located on Digby Island, is the major air transportation hub in northwestern BC. Previously a federal government airport, it is now owned by the City of Prince Rupert, and operated by the Prince Rupert Airport Society. Until July 1999, both Air Canada and Canadian Airlines served Prince Rupert, however the former carrier withdrew. Today, Canadian

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[26] RSMI and Delcan Corporation (1995), *Traffic Management Program Business Plan*, carried out for Ministry of Transportation.

Regional Airlines provides several scheduled flights between Vancouver and Prince Rupert on a daily basis.

The number of passengers and flights to and from Prince Rupert Airport has declined over the past two to three years, as shown below.

Table 5.3-2: Passenger and Flight Statistics for the Prince Rupert Airport

	Total Passengers (in and out)	Total Flights
1996	70,000	n/a
1997	63,400	5,112
1998	63,300	5,140
1999	57,880	4,651

Source: *Prince Rupert Airport Society*

Approximately 80 percent[27] of flights to Prince Rupert Airport are general aviation (private, charter, etc.), while the other 20 percent are made by Canadian Regional Airlines. The decline in total flights in 1999 can be partly ascribed to poor weather, which often affects smaller aircraft.

Access to and from the Prince Rupert Airport is via the Digby Island ferry, water taxi or float plane. Although it has been an issue for many years, there is now growing community support for a fixed link between Digby Island and the City of Prince Rupert.

Two charter plane companies, Harbour Air and Inland Air, serve the North Coast, as does Alpen Helicopters and Vancouver Island Helicopters. There are regularly scheduled flights to Pt. Simpson, Hartley Bay, Oona River and Kitkatla. Taquan Air also provides scheduled flights to Ketchikan, as well as charters.

5.3.4 Water Transportation

5.3.4.1 Ferry System

B.C. Ferries provides vehicle and walk-on passenger services to Port Hardy on Vancouver Island and Skidegate in the Queen Charlotte Islands. In the summer, the ferry from Port Hardy arrives in Prince Rupert every second day. During the winter, the ferry travels between Port Hardy and Prince Rupert six times per month.

The ferry service between Prince Rupert and Skidegate on the Queen Charlotte Islands operates six days per week during the summer months, and three days per week during the low demand months of winter.

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[27] Note that this is a ballpark estimate only, as indicated by the Prince Rupert Airport management.

The demand is growing for ferry service to and from Prince Rupert. Recent statistics show, however, that most of the increase in summer ferry demand has been on the Prince Rupert-Port Hardy route, while traffic between Prince Rupert and the Queen Charlotte Islands has declined.

Table 5.3-3: Average Summer Volumes on BC Ferry Routes[28] 1995 and 1999

	Vehicles	Passengers
Exiting Pr. Rupert (to Skidegate)		
1995	5,037	15,181
1999	4,538	13,802
% change 1995-99	*-10%*	*-9%*
Exiting Skidegate (to Pr. Rupert)		
1995	4,860	15,499
1999	4,463	13,872
% change 1995-99	*-8%*	*-10.5%*
Exiting Pr. Rupert (to Pt. Hardy)		
1995	2,390	10,210
1999	4,4842	23,354
% change 1995-99	*+102%*	*+129%*
Exiting Pt. Hardy (to Pr. Rupert)		
1995	2,224	9,780
1999	4,837	18,732
% change 1995-99	*+118%*	*+92%*

Source: *BC Ferries.*

Summer traffic between Prince Rupert and Port Hardy has more than doubled during the period 1995 to 1999. This can be ascribed to the growing number of visitors to the North Island and the North Coast.

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[28] These statistics are for the months of June, July, August and September inclusive.

In contrast to the Port Hardy route, summer demand for the ferry to the Queen Charlottes has waned during the past four years. Two factors contributing to this may be that the fare to the Queen Charlottes is seen to be expensive, and the ferry itself has relatively poor amenities.

The Alaska Marine Highway System provides regular vehicle and passenger ferry services to Ketchikan, Sitka, Juneau, Wrangell, Petersburg, Hanes and Skagway, Alaska on a year round basis. Passenger volumes have been declining since the late 1980s, however, dropping from 66,249 passengers in/out of Prince Rupert in 1988 to 38,801 in 1999.

The BC Ferries and Alaska Marine Highway System organizations enjoy a close operating relationship, but do not necessarily coordinate their schedules.

Regularly scheduled passenger ferry services are provided to Gingolx, Port Simpson, Dodge Cove and Metlakatla. BC Ferries partially subsidizes the first three, while the Metlakatla Corporation operates the ferry to Metlakatla. Water taxi services to the coastal communities are also available.

The City of Prince Rupert operates a vehicle/passenger ferry service linking the City with the airport at Digby Island.

5.3.4.2 Cruise Vessel Traffic

Each year, several pocket cruise ships (and the occasional large, conventional cruise vessel) stop in Prince Rupert. Pocket cruise vessels generally berth overnight at a dock in Prince Rupert. Prior to 1998, this was the ocean dock near the Westview terminal of Prince Rupert, however since May 1998 pocket cruise vessels have been docking at the Atlin terminal (with the old ocean dock now out of service). Large ships such as the Norwegian Wind and the Regent Sea anchor in the harbour, with passengers tendered in. However, for the most part, the cruise ship industry does not stop at Prince Rupert.

Data provided by the Prince Rupert Port Authority show that cruise vessel traffic declined between 1994 and 1997, but that it has climbed since that time.

Table 5.3-4: Cruise Vessel Traffic Through the Port of Prince Rupert

Year of Vessel Call	No. of Passengers (est. capacity)[29]
1992	3,226
1993	1,789
1994	763
1995	227
1996	335

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[29] Note that these figures represent the capacity of the cruise ships that have gone through Prince Rupert, but not necessarily the number of passengers whom have disembarked.

1997	400
1998	1,241
1999	2,303

Source: *Prince Rupert Port Authority.*

5.3.4.3 Port Facilities

Prince Rupert enjoys a strategic location as Canada's closest marine gateway to Asia and the terminus of both rail and road links used to transport products from Western Canada and the US Midwest, primarily forest products, grain and coal. The main terminal facilities at the Port are:

- Fairview Terminal;
- Prince Rupert Grain Ltd.;
- Ridley Terminals Inc.; and,
- Other facilities, including ocean dock and cruise ship lightering dock.

The terminals at Prince Rupert Port are modern and efficient, but continue to be underutilized because of competition from terminals in Burrard Inlet in Vancouver. The Prince Rupert Port Authority owns considerable waterfront property in Prince Rupert, and is pursuing several business opportunities and strategic partnerships to foster future economic growth.

The Atlin dock, located in the Cow Bay section of Prince Rupert, accommodates pocket cruise ships during the summer months. The Prince Rupert Port Authority, dock owners, have plans to further develop waterfront property near the pier, to generate further business and build on the strong positive appeal of Cow Bay.

While many large cruise ships travel past Prince Rupert en route to Alaska during the summer months, they do not stop in Prince Rupert because there is no dock large enough to accommodate them. The exception to this occurred in May 1999, when the Norwegian Wind anchored near Prince Rupert, and 1,800 passengers came ashore for the day to visit Prince Rupert or take the train to Terrace. The obvious economic benefits that can be derived from cruise vessels make the development of a large pier an important long-term strategy.

The other coastal communities of the North Coast have basic port facilities that can accommodate small ferries, water taxis or small, private craft.

Several charter boat companies operate out of Prince Rupert and the other coastal communities of the North Coast. These charter operators offer locals and visitors access to a variety of tourism products, including whale watching, harbour and city tours, fishing, historical sites, camping/transportation to secluded beaches, and kayak drop-offs and pick-ups.

5.3.5 Rail Transportation

Canadian National Railway provides daily freight service to Prince Rupert and connects with all major North American railways.

VIA Rail provides passenger rail service between Prince Rupert and points east, including Terrace, Prince George, Jasper and Edmonton. The VIA passenger train arrives in and departs from Prince Rupert three times per week. During the summer months, many VIA passengers connect with the ferries to either Port Hardy on Vancouver Island, or the Alaska Marine Highway System. In Prince George, passengers can transfer to/from the BC Rail passenger service (the Cariboo Prospector) that travels between Vancouver and Prince George.

Current passenger information is not available, however the 1996 passenger volume was 20,489 passengers, a 23 percent increase over 1995.

5.3.6 Bus Transportation

Greyhound Bus Lines offers services between Prince Rupert, Prince George and Vancouver. It also provides a link between Prince Rupert and the smaller communities of the northwest, such as Terrace, New Hazelton and Stewart.

Alaska Overland/Rival Tours, based in Prince Rupert, offers charter service, and tours for ten or more people up Highway 37 to the Yukon. Farwest Bus Lines, based in Prince Rupert, also provides charter service.

A bus service also transports passengers from Prince Rupert via ferry to the airport at Digby Island.

5.3.7 Other

The North Coast is the base for many other transportation companies, primarily in Prince Rupert. This includes a wide array of trucking and courier firms, as well as marine shipping agencies and customs brokers. These are enumerated in detail in the *Prince Rupert Economic Profile*, completed in 1999 by the Prince Rupert Economic Development Commission.

5.4 Community Profiles

Each community in the North Coast is at a unique juncture in their social and economic development. To be effective, economic initiatives must build on the available assets and history of the community. Any initiative, including tourism initiates, must reflect the "sense of place" of the community for it to be embraced by local residents. The following section briefly describes each of the communities in terms of their strategic location, history, transportation linkages, demographics, economy and labour force, tourism infrastructure and tourism initiatives.

5.4.1 Prince Rupert/Digby Island/Metlakatla/Port Edward

This community grouping is situated in the area at the mouth of the Skeena River and consists of Prince Rupert, Metlakatla and Port Edward. The following profiles provide a social and economic context for the communities of Prince Rupert, Metlakatla, and Port Edward. Digby Island hosts the regional airport and bedroom community of Dodge Cove which is effectively part of Prince Rupert and Metlakatla.

5.4.1.1 Prince Rupert

Location - The City of Prince Rupert covers an area of 8,722 hectares and is found within the Skeena Queen Charlotte Regional District. Prince Rupert is located on the western portion of Kaien Island, near the mouth of the Skeena River and only 65 kilometres south of the Alaskan Panhandle. By highway, Prince Rupert is 1,520 kilometres northwest of Vancouver and 720 west of Prince George.

History - For ship traffic, Prince Rupert is located 30 hours closer to many Asian destinations than its southern rivals. In May of 1906, Grand Trunk Pacific Railway began building the current town site to take advantage of this strategic location. Prince Rupert was incorporated March 10, 1910, when the Grand Trunk Railway relinquished the town site. In 1910 the town had a population of 4,000. This population grew to a high of 25,000 during World War II as it became a strategic embarkment point for the United States movement of troops and equipment on their way to the Aleutians and the Pacific. After the war, Prince Rupert reverted to its status as a fishing port and a major service and distribution centre for the Northwest.

In 1949 construction of the pulp mill on Watson Island began. The pulp mill stabilized the local economy and attracted new residents to Prince Rupert. In 1972 Prince Rupert was designated a National Harbour Port and has seen considerable infrastructure spending including the development of a bulk coal loading facility and a modern grain terminal on Ridley Island, and a general cargo facility at Fairview Terminal.

Transportation - Prince Rupert is the northern transportation hub for the northwest, and is accessible by Highway 16, rail, ferry and air, as per the earlier transportation profile.

Demographics - The 1999 population of Prince Rupert is estimated at 17,000. The population in Prince Rupert has declined slightly in recent years as the resource sectors, which are key economic drivers in the local economy, have been presented with many challenges. Prince Rupert is characterized by a younger average age than the provincial average. Prince Rupert, with only 6.3 percent of its population over 65 years, has half the average senior population (12.8 percent) of the province as a whole. Conversely, over 25 percent of the local population are under 14 years of age, while the BC average for this age group is less than 20 percent.[30]

Economy and the Labour Force - In Prince Rupert, 32 businesses closed between September 1997 and March 1999 as a result of the difficult economic times, however, this trend seems to have been reversed and new business openings have recently been reported. The value of building permits also provides insight into the health of the local economy. The value of building permits declined steadily from $16.38 million in 1994 to a low of $6.06 million in 1997. However, the value of building permits recovered slightly in 1998 to $7.65 million, fueled by industrial building permits.

In 1996, Prince Rupert had a total experienced labour force of approximately 9,240 of which 21 percent was engaged in manufacturing (largely food processing and paper and allied). This represented the largest component of the labour force and double the provincial average for this sector. However, the 1990s have been difficult for the manufacturing labour force. In 1991 the manufacturing labour force was 2,360 but by 1996 it had declined to 1,945. Since 1996, with difficulties at the pulp mill and the decline of the local fisheries the manufacturing labour force has shrunk further. Retail, with 12 percent, and transportation and communications, with 10 percent of the labour force respectively, are also key sectors for the local economy. The accommodation and food sector labour force was approximately 8 percent in 1996 and was only one of two sectors to show an increase in the labour force from 1991.

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[30] Statistics Canada, 1996 Census.

Average incomes in Prince Rupert in 1996 were $36,812 compared to the BC average of $36,960 for the same year. While this average is slightly lower than the BC average, it is significantly higher than other rural communities in the province. Most people earned their income as employees (75 percent) while 4.5 percent earned their income through self-employment. In Prince Rupert 59 percent of residents own their own home compared to 65 percent for the provincial average. The average monthly mortgage payment by homeowners in 1996 of $780 is comparable to the provincial average of $800 per month.

Tourism - Tourism activity has increased significantly in Prince Rupert since the improvements to the Prince Rupert-Prince George section of Yellowhead Highway 16. Tourism also depends on the provincial coastal ferry service, which was established from Vancouver Island in 1966. Prince Rupert is the terminus of the Alaska "marine highway" and that State's growing tourism trade has in part been reflected in revenues of Prince Rupert's businesses. Prince Rupert sees between 300,000 and 500,000 travelers a year. Most stop en-route to other destinations.

Tourism Infrastructure - Prince Rupert has many attractions and conveniences for visitors to enjoy. The town is resident to two very popular museums including the Museum of Northern BC and Chatham Village Longhouse, which houses a museum of Tsimshian artifacts. In the summer time the Carving Shed provides a venue for some of the finest Haida Nation carvers to display their skills and their work.

Prince Rupert has several businesses supporting the visiting public including:

- six hotels;
- six motels and lodges;
- thirteen licensed bed and breakfasts;
- thirty-one restaurants;
- fourteen pubs and liquor outlets; and
- three marine fuel locations.

The Prince Rupert Port Authority (PRPA) has recently constructed the Atlin pier to accommodate pocket cruise ships and the local port and wharf infrastructure can handle a variety of vessels.

Tourism Initiatives - City of Prince Rupert and Tourism Prince Rupert are working on becoming a popular tourism destination and continue to encourage travelers to stay longer in the community and surrounding area. To achieve these objectives several strategic initiatives are underway in Prince Rupert including:

- attracting more, small cruise ships now that the Atlin pier is complete;
- developing new transportation linkages and partnerships between the region's rail, road and cruise ship products;
- promoting the North Coast's native heritage and archaeology, adventure tourism, and recreational fishing opportunities; and,
- encouraging BC Ferries to expand service between Prince Rupert and Port Hardy.

The PRPA also plans to develop the property adjacent to the pier for office and commercial use, thereby enhancing the "shore product" to attract cruises. Where it is deemed effective, the PRPA and Tourism Prince Rupert will partner on initiatives to encourage tourism, such as attracting larger cruise ships en route to Alaska. However, cruise ships in Prince Rupert will not become a reality until there is a pier large enough to accommodate them.

5.4.1.2 Digby Island

Digby Island is a short ferry ride from Prince Rupert and Metlakatla. The island is the location of the regional airport and part of Metlakatla reserve lands. A small number of people live at Dodge Cove, with most of the labour force commuting to Prince Rupert. A network of hiking trails on the island is popular among local residents.

5.4.1.3 Metlakatla (Maxtaxaata)

Location - The Tsimshian community of Metlakatla is located five kilometres by boat from Prince Rupert. It is northwest of Prince Rupert on the Tsimshian Peninsula and immediately across from Digby Island. The Metlakatla Band Council oversees 162 hectares on 16 reserves.

History - The Tsimshian word Metlakatla means "a passage connecting two bodies of salt water". Metlakatla is the approximate centre of the traditional territory of the Tsimshian and the area is one of the oldest continuously occupied regions of the world. Within one and half kilometres of Metlakatla lies Pike Island, home to two ancient Tsimshian village sites that were abandoned 18 to 20 centuries ago. The Tsimshian traditionally wintered in this area before settling at Lax Kw'alaams.

In the spring of 1862, lay missionary William Duncan arrived to establish a model Christian settlement on the previously inhabited Tsimshian village site, naming it Metlakatla. In 1867 he broke with the Church Mission Society and moved 800 community members to New Metlakatla in Alaska.

Transportation - Metlakatla is a 20-minute ferry trip from Prince Rupert.

Demographics - The 1999 population of Metlakatla was approximately 130, this is up slightly from the 1996 population of 120.

Economy and Labour Force - This Tsimshian First Nation community operates the Metlakatla Development Corporation, which is involved in several business ventures, and the Metlakatla Ferry

Service. In 1996 the labour force size was approximately 65. In 1997, public services with 38 percent of the employed population and the fisheries with 30 percent represented the two largest employment sectors within the community. Tourism, transportation, finance and insurance and forestry also contributed to the employment base within Metlakatla in 1997. Over 84 percent of the labour force worked as paid employees. In 1998, approximately 28 percent of the labour force were unemployed and seeking employment.[31]

Tourism Infrastructure - There is a wharf at Metlakatla. On Pike Island, where the community has begun operating cultural interpretation tours, there is another wharf and walking trails.

Tourism Initiatives - For the past three years tourists have been taken on visits to several archeologically significant sites on Pike Island, including two ancient Tsimshian village sites. Several local residents are active in the charter fishing industry as well. Metlakatla is interested in expanding their opportunities within the adventure and cultural tourism sectors. However, any business development in the adventure and cultural tourism sectors must carefully consider the food fisheries and other traditional uses of the land before proceeding.

5.4.1.4 Port Edward

Location - Incorporated in 1966, the District of Port Edward is located 15 kilometres south of Prince Rupert and 120 kilometres west of Terrace. The town site is located on the mainland and bordered by the Skeena River, Inverness Passage, and mountains north of Highway 16. The District of Port Edward covers 18,387 hectares in total, of which most of this is undeveloped forest lands.

History - The Port Edward town site was laid out in 1908 when the Grand Trunk Railway decided to expand their operations to the North Coast of British Columbia. When speculators purchased large blocks of land in Port Edward the Grand Trunk Railway put plans for Port Edward's development on hold and ran the railway to Kaien Island instead.

Much of Port Edwards' earliest history centres on the fish canneries and processing plants that existed in the area. There are traces of approximately 200 canneries that operated locally during the heyday of the fishing industry. One of these canneries, the North Pacific Cannery, was built in 1889, and continued to operate until 1968. In 1985 it was designated a National Historic Site, and has been a museum since then. Today it is home to the North Pacific Cannery Village Museum, operated by the North Pacific Cannery Village Museum Society. These early canneries brought local people together with people from all over the world and has contributed to the multi-cultural community that Port Edward is today.

Transportation access - Port Edward is accessible by secondary highway from Prince Rupert, approximately a 20-minute drive.

Demographics and Labour Force - The 1999 population in Port Edward is estimated at 775, of which, approximately 55 percent are made up of people with First Nation ancestry. The population in Port Edward has remained relatively stable since 1991. However, the population remains below the 1981 community population of 990 and the 1976 population of 1,190.

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[31] Skeena Native Development Society (December 1998), *1998 Labour Market Census.*

Economy and Labour Force - Building permits, an indicator of local economic health, have been steady between 1993 and 1998. While the value of commercial building permits has been minimal, overall building permit values have trended upward from $282,000 in 1993 to $2,225,000 in 1997. However, the overall value of building permits dropped to $323,000 in 1998.

Because of its proximity to Prince Rupert, the residents of Port Edward are able to take advantage of employment opportunities and services available in both locations, while enjoying the advantages of living in a small community. In 1996, Port Edward had an experienced labour force of approximately 390 of which 41 percent of where engaged in manufacturing, a further 10 percent were employed in fishing, and 9 percent of the labour force was employed in construction. Only 2.6 percent of the local labour force was involved in the accommodation, food and beverage sector. Many residents commute to Prince Rupert and to nearby Ridley Island. Ridley Island is home to the area's port, which has a general cargo area as well as bulk terminals for coal and grain exports.

In 1993, the place of work for Port Edward residents was:

- Prince Rupert –57 percent,
- Ridley Island – 4 percent,
- Skeena Cellulose Pulp Mill – 4 percent,
- Port Edward – 25 percent, and,
- Other – 10 percent.

Average 1996 income in Port Edward was $33,045; this is lower than the Prince Rupert average of $36,812 for the same year, but higher than most other rural communities in BC. Like Prince Rupert, most people earned their income as employees (76 percent) while over 7 percent earned their income from pension. Over 83 percent of Port Edward residents owned their own home in 1996 while only 65 percent of British Columbians and 59 percent of people in Prince Rupert could claim the same. As well, the average monthly mortgage payment of $594 in 1996 by home owners in Port Edward is significantly below the provincial average payment of $800 per month and the $780 a month paid by Prince Rupert home owners.

Tourism Infrastructure - The North Pacific Cannery museum is the chief tourism attraction in both Port Edwards, and on the North Coast. Like most of the canneries that operated on the North Coast, the North Pacific Cannery closed years ago, however it has been restored and designated as a National Historic Site. There is also a bed and breakfast accommodation associated with the cannery. While the cannery is open year-round, most visitors come during the summer months. The management of the North Pacific Cannery continues to restore the museum, and is actively seeking ways to strengthen the links between the museum and First Nations, and to draw more visitors.

Other key tourism attractions in the Port Edwards District are:

- a boat launch;
- a campground;

- Prudhomme Lake and Diana Lake which offer fishing, boating and swimming opportunities.

Moorage for travelers can often be obtained at the Small Craft harbour operated by the Port Edward Harbour Authority.

Local Tourism Initiatives - Some boat tours are either under way or being planned in the Port Edwards area, including a tour of old cannery sites in the Skeena river, and trips to a small, abandoned Scandinavian community on Smith Island[32]. There may be plans to restore the Cassiar cannery, currently lying empty in Port Edwards, as a fishing lodge or campground.

5.4.2 Gingolx, Kitsault, Alice Arm, and Laxgalts'ap

The Gingolx, Kitsault and Alice Arm area represents the northern most group of communities in the study area. These communities lie within close proximity to the Alaskan panhandle.

5.4.2.1 Gingolx (Kincolith)

Location - The Nisga'a community of Gingolx is located at the mouth of the Nass River, close to the Alaska Panhandle. The Chief and council of the Gingolx First Nation administer the community.

History - River Git-Gingolx is the Nisga'a word for "People of Gingolx". Historically, upwards of 5,000 people from surrounding First Nation communities would come to the Nass River annually to be involved in the oolichan fishery, as well as to barter goods with the Nisga'a. At one time, there were approximately eight fish processing canneries located at the mouth of the Nass River, in Observatory Inlet, the Portland Canal and the neighbouring United States.

Transportation - Gingolx is isolated and currently is only accessible by water or air. Regular ferry service is available three times weekly while seaplane service is available twice daily (on demand) to Prince Rupert. Work continues on a new highway that will eventually link to the Nisga'a Highway, with connections to both the Trans-Canada Yellowhead 16 and the Cassiar Highway 37.

Demographics - The 1999 population of Gingolx was approximately 390, a 9.5 percent increase over the 1996 population. Gingolx is characterized by a younger average age than the provincial average. Over 28 percent of the local population are under 14 years of age while the BC average for this age group is less than 20 percent. A full 47 percent of the population is under the age of 24, compared to the BC average of 33 percent for this age group.

Economy and Labour Force - In 1996, government services represented the largest component of the labour force with 24 percent; health services with an additional 14 percent of the labour force; educational service, construction, and fishing each with 10 percent are the other key labour force components. Accommodation, food and beverage services follow close behind with 7 percent of the labour force. Approximately 64 percent of the income in the community came from employment income in 1996 while 34 percent came from government transfers, and the remaining 2 percent came from other sources.

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[32] Community consultation, December 1999.

Gingolx had a labour force population of approximately 175 in 1998. The percentage of the labour force population unemployed and seeking employment in 1998 was approximately 51 percent. Although the 1998 unemployment rate is high, it has declined since 1996.

***Tourism Infrastructure* -** There is a dock and other town services in Gingolx. A small seven-room hotel is also located in the community. The community has several historical buildings including their church, which is 100 years old this year, and several longhouses.

***Tourism Initiatives* -** Gingolx is currently completing their own tourism strategy to identify tourism opportunities that the community will consider for development. The community sees good potential in tourism coming from the completion of the new highway which will make it easier for tourists to visit the natural surroundings.

5.4.2.2 Kitsault

Kitsault is located north of Gingolx up Observatory Inlet on Alice Arm. Kitsault was developed as part of a molybdenum mining operation. The mine operated for a short period of time between 1979 and 1983. The mining company Amax of Canada privately owns the town site. At its peak upwards of 1,500 people lived in the community; currently only the care-taking staff remain. Community infrastructure such as a school, paved roads, and the bowling alley are maintained. There is also a private campground and dock.

5.4.2.3 Alice Arm

Alice Arm is located across the water from Kitsault beside the Kitsault River. The Alice Arm town site was originally a Nisga'a reserve. From the turn of the century until the 1960s, the community of Alice Arm was a mining and logging community. Today, much of the town site has been returned to the Nisga'a while part of the town site remains privately owned. The community has two permanent residents but in the summer upwards of twelve people live in the community. Alice Arm Lodge offers fishing and hunting activities from the community. Several of the historical buildings have been restored by their landowners. There is also a Transport Canada dock and wharf at Alice Arm.

5.4.2.4 Laxgalts'ap (Greenville)

***Location* -** The Nisga'a community of Laxgalts'ap is located on the Nass River just upstream from the Nisga'a community of Gingolx.

***Transportation* -** The community is linked to the Nass Valley by the Nisga'a Highway which connects to Gitlaxt'aamiks (New Aiyansh) and the Yellowhead Highway.

Demographics and Labour Force - The 1999 population of Laxgalts'ap was approximately 590, a slight increase from the 1996 population. The Laxgalts'ap population is characterized by a younger average age than the provincial average. Laxgalts'ap, with just over 4 percent of its' population over 65 years, has one third the average senior population (12.8 percent) found throughout the province. Conversely, almost 36 percent of the local population were under 14 years of age, while the BC average for this age group is less than 20 percent.

In 1996, government services involved 23 percent of the labour force and represented the most important employment source in Laxgalts'ap. Logging and forestry with 18 percent of the labour force, and education services with 15 percent of the labour force where also important employers locally. Approximately 5 percent of the labour force were involved with accommodation, food and beverages. Employment income accounted for 69 percent of total community income in 1996 while government transfer payments provided 30 percent and other incomes sources provided one percent.

In 1998 the labour force was estimated at 312 in Laxgalts'ap. The percentage of the labour force population unemployed and seeking employment in 1998 was approximately 51 percent. Unemployment rates have remained constant, at roughly 50 percent of the labour force, for the past three years. The percentage of the population seeking employment is highest among the 35 to 44 age group.

Tourism Infrastructure - The community has one bed and breakfast for visitors and has recently acquired the department of Ocean and Fisheries local wharf. This local wharf is currently being upgraded and will be linked to the development of new gas bar and convenience store in the community.

Tourism Initiatives - The community is currently working with the local Timber Farm License operator to identify access for medium and long-term backcountry tourism development opportunities. Recently a funding application was made to develop a cultural centre. This centre would have a variety of uses in the community including the use as a venue for cultural tourism activities. This fall construction on the $30 million dollar highway that will connect Laxgalts'ap and Gingolx will begin. The highway should be completed within three years and the community of Laxgalts'ap will be exploring tourism opportunities to coincide with the anticipated increased traffic to the area.

5.4.3 Hartley Bay (Git'k'a'ta)

Location - The community of Hartley Bay is located 145 kilometres south of Prince Rupert at the confluence of the Laxgalts'ap and Douglas Channels. The Hartley Bay Band Council oversees 14 reserves covering 520 hectares.

History - The residents of Hartley Bay did not participate in the migration to Port Simpson in 1834 but did actively participate in trading activities from Hartley Bay. The community is an amalgamation of four villages, brought together to supply wood for passing steamships. At various times, large numbers of the community have been employed in numerous canneries that were active in the region.

Transportation **-** Hartley Bay is accessible by floatplane or by boat. Harbour Air has one scheduled flight per day from Prince Rupert to Hartley Bay. The *Harbour Mist I* provides marine transportation from Prince Rupert to Hartley Bay several times per month.

Demographics **-** The 1999 population of Hartley Bay was approximately 195, which is slightly larger than the 1996 population of 185. A young population characterizes Hartley Bay. Hartley Bay, with only 3.2 percent of its population over 65 years, has a quarter of the average senior population (12.8 percent) found throughout the province. Conversely, over 29 percent of the local population are under 14 years of age, while the BC average for this age group is less than 20 percent.

Economy and Labour Force **-** In 1996, 33 percent of the Hartley Bay labour force was involved in government services, while fishing made up 17 percent of the local labour force. Construction and educational services also had 17 percent shares of the local labour force and represented the other two key labour force components locally. The community takes pride in the nearby fish hatchery. The forest industry, not traditionally a large employer for Hartley Bay, is gaining increasing economic importance for the community.

In 1998 the labour force was estimated at 92 persons in Hartley Bay - this is up from an estimated 75 persons in the labour force in 1994. The percentage of the labour force population unemployed and seeking employment in 1998 was approximately 44 percent - this is up sharply from 1997 when the rate was 18 percent. The recent increase in the unemployment rate is associated with similar factors as experienced in other coastal communities: a decline in the fishery and high entry rate of new young workers into the labour force.

Tourism Infrastructure **-** Hartley Bay has two bed and breakfasts and a marina that offers diesel and gas. The community currently has two traditional dance troupes and several carvers. There is also a government wharf and corner store in the community. The village boardwalk is an attractive and unique draw for marine cruisers.

Tourism Initiatives **-** Hartley Bay completed construction of two longhouses last year and construction will begin on a third long house in April 2000. These longhouses are located around Hartley Bay and eventually they will host visitors for over night stays, in addition to community uses. In the longer term the community is also planning to build a feast house, which will host cultural events and entertainment, have a museum and a little gift shop.

5.4.4 Kitkatla and Oona River

The communities of Kitkatla and Oona River are located on coastal islands south of Prince Rupert.

5.4.4.1 Kitkatla (Gitkxaahla)

Location **-** The Tsimshian village of Kitkatla is located on Dolphin Island, some 60 kilometres southwest of Prince Rupert. The Kitkatla band council oversees 21 reserves covering 1,885 hectares.

History - Gitkxaahla means "people of the salt water" and refers to the village's oceanfront location. The village site is among the oldest continually inhabited sites on the coast. The residents never abandoned their ancestral home to pursue European opportunities at other locations, thereby leaving Kitkatla among the most isolated, and traditional, Tsimshian villages.

Transportation - Kitkatla is accessible by floatplane or chartered boat; there are no regularly scheduled ferries to this community. Harbour Air has five scheduled flights per day from Prince Rupert to Kitkatla, with a stop off at Oona River.

Demographics - The 1999 population of Kitkatla was approximately 490, an 18.9 percent increase over the 1996 population. The Kitkatla population is characterized by a younger average age than the provincial average. Kitkatla with only 6.6 percent of its population over 65 years has half the average senior population (12.8 percent) found throughout the province. Conversely, over 33 percent of the local population were under 14 years of age, while the BC average for this age group is less than 20 percent.

Economy and Labour Force - In 1996, government services involved 42 percent of the local labour force and represented the most important employment source in Kitkatla. Fishing with 19 percent and manufacturing and construction with 19 percent of the labour force are also key sectors for the local economy. Education services involved 11 percent of the local labour force. No participation in the tourism component of the labour force was identified in 1996. Employment income accounted for 52 percent of total community income in 1996 while government transfer payments provided 47 percent and other income sources provided one percent.

In 1998 the labour force was estimated at 262 in Kitkatla. This has risen sharply since 1994 when the labour force was 174. The percentage of the labour force population unemployed and seeking employment in 1998 was approximately 45 percent.[33] Unemployment has risen sharply in recent years going from 16 percent in 1994 to the current levels in 1998. The increase in the unemployment rate can be partly attributed to the recent decline of the salmon fisheries and an increase in the working age population. The percentage of the population seeking employment is highest among the 25 to 44 age group where 32 percent of this age group is seeking employment.

Tourism Infrastructure - Kitkatla has three bed and breakfast operations and gas pump service that caters to marine traffic. The community also has kayak rentals and day fishing charters available. There are several local carvers and four retail stores that supply local residents and visitors.

Tourism Initiatives - The community of Kitkatla is currently working on the delivery of training courses such as Super Host locally. There is also planning underway to better develop the day fishing opportunities. The community is exploring developing a facility where local carvers can work and display their products. In the longer term the community is exploring the development of a heritage and cultural centre which would feature a long house and provide a place for local exhibitions and cultural activities.

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[33] Skeena Native Development Society (December 1998), *1998 Labour Market Census*

5.4.4.2 Oona River

Oona River is located south of Prince Rupert on Porcher Island. In 1996 the community had a population of 45. There is a one-room school and several cottages that belong to residents of Prince Rupert who come to the area for recreational purposes. The local labour force is involved in commercial fishing and logging. There is a small family-owned sawmill and woodlot on the island and a local fish hatchery is nearing completion.

Tourism Infrastructure - There is a small eight-room lodge in the community, Oona River Getaways, and a bed and breakfast. The community also has a public wharf.

Tourism Initiatives - The community is currently working on the Oona River Research and Resource Centre and Marine and Terrestrial Route Project. When complete, this initiative will see the development of a trail system and associated shelters on Porcher Island that will support hiking and ocean kayaking in the area. As well, the development of the hatchery facility will support education-based tourism opportunities in the community of Oona River.

5.4.5 Lax Kw'alaams (Port Simpson)

Location - The Tsimshian community of Lax Kw'alaams is located 55 kilometres north of Prince Rupert on the Tsimshian Peninsula at the entrance to Portland Inlet. The Lax Kw'alaams Band Council oversees 72 reserves covering 1,050 hectares.

History - Fort Simpson was established in 1834 as a Hudson Bay post. The early fort consisted of 18 company employees and their families located inside stockade walls and surrounded by traders from nine Tsimshian tribes. These traders became residents of Lax Kw'alaams, moving from their traditional villages in Metlakatla Pass. The Europeans were invited by a sm'oogit or chief named Legaic of the Gitspakloats. Seeing an opportunity to further expand his trading empire, Legaic arranged for the marriage of his daughter to the Hudson Bay Company chief factor and negotiated the relocation of the post in the Nass to Lax Kw'alaams. This also drew the Tsimshian more tightly under his reign, as they moved to Lax Kw'alaams to take advantage of the opportunities.

In 1857 William Duncan established a mission at Port Simpson which he moved to Metlakatla four years later (see Metlakatla). Thomas Crosby established another mission in Port Simpson in 1873.

Transportation - There are three scheduled flights per day. The Band operates Lax Kw'alaams Ferry Corporation which operates inner habour ferry service, transporting passengers, freight and vehicles from Prince Rupert to the head of Tuck Inlet to join a road network to Port Simpson.

Demographics - The 1999 population of Lax Kw'alaams was approximately 1,300, consisting of nine tribal groups. This is a 3.7 percent increase over the 1996 population. Like other Tsimshian communities, Lax Kw'alaams is characterized by a young population. Over 30 percent of the local population are under 14 years of age, while the BC average for this age group is less than 20 percent.

A full 56 percent of the population is less than 24 years old compared to the BC average for this age group of only 33 percent.

Economy and Labour Force - In 1996, 21 percent of the Lax Kw'alaams labour force was involved in government services while a further 21 percent of the labour force was involved in manufacturing, mostly at the fish processing plant where the community operates the Lax Kw'alaams Fish Plant Inc. The fishing industry made up a further 14 percent of the local labour force. Other key components of the labour force included educational services with 10 percent of the labour force, and logging and forestry with 10 percent.

Employment income accounted for 69 percent of total income in the community in 1996, while government transfer payments provided 29 percent. The remaining two- percent of income came from other sources.

In 1998 the Lax Kw'alaams labour force was approximately 565, an increase over 1994 when the labour force was 450. In recent years the percentage of the labour force population unemployed and seeking employment has been very high going from approximately 33 percent in 1997 to 76 percent in 1998. At the beginning of 2000 the unemployment rate was estimated at over 80 percent. The high unemployment can be attributed to the impacts in the fishing industry and the fact that the fish plant did not operate in 1998. The percentage of the population seeking employment is highest among the 15 to 44 age group.

Tourism Infrastructure - Lax Kw'alaams has a 100 bay boat wharf and float plane dock. There is one bed and breakfast in the community and four small stores, which supply a variety of stocks. The community also has several artisans and a traditional longhouse.

Tourism Initiatives - Lax Kw'alaams is currently working on several infrastructure initiatives that will support their tourism objectives. Specifically these include: establishing gas pumps for marine traffic; developing artisan manufacturing centre; developing a campsite at George Town Lake; completing a trail network from Tuck Inlet to Port Simpson; and working on a road between Port Simpson and Tuck Inlet. The community will also be undertaking two marketing initiatives in the near future -- the marketing of artisan and crafters products locally and in Vancouver and marketing of the hiking trail. In the longer term the community is planning to build a fifteen-unit hotel connected to a large cultural centre.

5.5 Resource Area Descriptions

In order to evaluate the various tourism products identified as high potential, the consultants have taken the approach of grouping communities that share a common "sphere of influence", and where the benefits of opportunities from tourism products could overlap. It is noted here that while Stewart, and Kitimat are both situated in the Kalum Forest District (and are profiled in the Kalum FTOS study), they each share a sphere of influence with the North Coast Forest District. In the former case, Stewart is situated close to the northern extreme of the North Coast Forest District, where tourism products are clearly linked to this community. Residents of Kitimat have a strong affinity with the North Coast through access via Douglas Channel. The Nass Valley falls into both the North Coast Forest District and the Kalum Forest District. Laxgalts'ap is connected by road to Gitwinksihlkw in the Kalum Forest District and is therefore has strong connections to the Kalum District, as will Gingolx when the road linkage is completed.

Seventeen resource areas (see Figure 5-5, Figure 5-6), described in the following table, were defined by the study team based, on consideration for market access, theme development potential and previous studies. Appendix E contains full description of the tourism assets available in each area.

Unit	Name	Associated Community	Recreation Capability	Comments
A	Portland Canal	Stewart, Gingolx	Moderate	With Alaska next door, the area offers much for boaters and kayakers in scenery and fishing. Historic sites include as old mines (Georgie River, Swamp Point, Maple Bay) and the stone house on Wales Island.
B	Observatory Inlet	Gingolx, Laxgalts'ap	Moderate	Very scenic and unique area. Weather is similar to interior. Historic sites; includes Anyox, Alice Arm, and Kitsault - deserted town sites with an opportunity to be marketed as a recreation destination. Good access to sub-alpine. Suitable for fishing, hunting, river activities, mountain biking. Significant wildlife viewing potential.
C	Dundas Island group	Port Simpson, Metlakatla	Moderate/High	Excellent kayaking area for novice to expert. More of a wilderness experience then Porcher Island. Excellent whale watching and fishing. Traditional use area important to region's First Nations
D	Prince Rupert/Metlakatla/Port Simpson	Prince Rupert, Metlakatla Port Simpson	High	Many beaches within close proximity to Prince Rupert. (Digby Island, Big Bay, Lucy Island). Includes Pike Island archaeological site. FN cultural activities, fishing, wildlife viewing, boating, kayaking and mountain biking.
E	North Work Channel/ Khutzeymat	Port Simpson	High	Includes an old volcano (Crow Lagoon) and Khutzeymateen Provincial Park. Best known for

	een			wildlife viewing (whale watching and grizzly bears). Also for kayaking, boating and FN culture.
F	South Work Channel/ Quottoon Inlet	Port Simpson	High	Quottoon Inlet is the most scenic area in the whole North Coast. Large waterfalls and steep cliffs. Forest Service Recreation Site at head of Work Channel. Road access to Work Channel from Hwy 16.
G	Porcher Island Group	Kitkatla, Oona River	High	Offers the best all round area for kayaking (beginners to expert). Large beaches, wildlife viewing. Excellent beaches and great potential for trail development. FN culture and environmental education opportunities.
H	Grenville Channel	Kitkatla/Oona to Hartley Bay	Moderate	Great fishing area, few anchorages. Scenic inside passage. Few kayak campsites. Tides run 4 to 6 knots. If timed with tides a kayaker can cover a lot of territory. Contains Lowe Inlet Marine park
I	West Pitt Island	Kitkatla to Hartley Bay	Moderate	Very good touring area with many inlets and islands (Complex landform with many small islets, inlets, channels suited to kayaks and small boats. Best example of native stone fishing weir in district – still works)
J	Estevan Group	Hartley Bay	High	If this area was closer to PR it would be considered the best area by far for kayaking, fishing, hiking and wildlife and scenic viewing. Remoteness limits potential for area. Areas most important and unique feature is the large island to the east – Campania Island. This island has very fine white sand beaches. Few trees on the island make hiking and viewing exceptional. Trutch Island is comprised of sheltered inlets that lead to an exposed west shore. Old radar station on Trutch Island has houses, helipad, dock and other facilities – currently leased out to shell fish farm

				operator.
K	Princes Royal Island and Fraser Reach	Hartley Bay	High/Moderate	Best known for Kermode bear viewing. Barnard Harbour contains 2 large fish camps. Anchor and Canoona Lakes contain high cliffs and beaches. Khutze Inlet is known for Grizzly viewing. Undeveloped hotsprings in Klekane inlet. Karst features in Chapple Inlet. Kayaking, boating and wildlife viewing main opportunities.
L	Verney/Gardner Channels	Hartley Bay	High	Touring area protected from winds. Potential for hotspring tours or routes (Bishop Bay, Weewanie, Europa Pt. /Shearwater). Kermode bear viewing. Superb scenery.
M	Aristazabal Island	Hartley Bay	Moderate	Protected waters provide very good kayaking. Large beaches. Good wildlife viewing. Remote area also used for commercial sport fish.
N	Banks Island	Kitkatla	Low	Exposed to ocean swells on west coast and is hazardous for small boats and kayakers. The east coast is steep. Few anchorages or opportunities for kayakers and small boats. Remote access.
O	McCauley/NW Pitt Islands	Kitkatla	Low	Small beaches, limited anchorages, modest kayaking potential.
P	Ecstall River / Skeena River	Prince Rupert/Hartley Bay	Low/Moderate	Rivers influenced by tide. Potential kayak/canoe route. Post-contact abandoned townsite. Canoeing, fishing, jet boating, wildlife and scenic viewing. Skeena River is a major influence on setting/environment. Strong winds.
Q	Nass and Outer Areas	Gingolx/Laxgalts'ap	Moderate	Linkages to development associated with Nisga'a Treaty. Two communities. Oolichan runs.

6 ASSESSMENT OF IDENTIFIED TOURISM OPPORTUNITIES

The Ministry of Small Business, Tourism and Culture identified over 50 potential tourism products which were evaluated by the consulting team to determine which offer the greatest potential for **outdoor recreation-based tourism** development in the North Coast Forest District. A short-list was generated based on the consultants' knowledge of the resource base, market trends and economic factors of the study area, priorities defined by the funding agencies, and experience conducting similar studies in other parts of B.C.

This short-list of tourism products was broken into five broad-based groups (winter, water, land, touring and facilities). Participants at the initial meeting of the Industry-Government Advisory Team were tasked with identifying which represented, in their opinion, the least potential for opportunity development. As could be expected, each potential product was eliminated from consideration by at least one participant. Nonetheless, when the final results were tallied, a general consensus was reached regarding which ten tourism products merit further research.

These final 10 products can be regarded as the best short-term options for outdoor recreation-based tourism products. However none exist in isolation, and opportunities to build on clusters of tourism products or where products could be linked have been shown where appropriate.

The "top ten" should not be considered an all-inclusive list as there are likely other tourism products or activities not evaluated for this study which have enormous short or longer term potential. For example, as the primary focus for tourism development in this study is outdoor recreation products, an activity such as the development of a festival or cultural event, which may have high potential in the short term, was not evaluated.

For each of the ten selected tourism products the consultants used resource criteria to identify and rank the most promising areas for development. The most highly ranked areas were then evaluated using a framework that employs economic, social and market criteria. It is important to note that the resource criteria is a filter for identifying the most promising short to medium term opportunities. Those areas that are filtered out should be regarded as longer-term opportunities. In narrowing down the choice to those most likely to be developed, the consultants are not suggesting that the others do not have merit, simply that they may only be feasible on a longer-term basis.

Each of the selected tourism products was also evaluated to determine the land's capability to support the product. The results of this analysis, described fully in Appendix D-1, were incorporated into the discussion that follows in this chapter.

Throughout this chapter, identified opportunities were associated with the community situated in the optimum geographical location to benefit from development. These communities may or may not support development of that particular opportunity. Opportunities were identified and associated with communities without prejudice to treaty negotiations or First Nation's traditional territories. First Nation leaders have stated that they will not pursue opportunities outside of their traditional territory; they will defer to the Nation in whose territory the opportunity is positioned.

The ten tourism products identified for closer evaluation are as follows, starting with the product with the greatest potential:

- Ocean Kayaking
- Heritage/Culture
- Hut-to-Hut Touring
- Hiking
- Wildlife Viewing/Natural History/Photography
- Air Tours
- Marine Cruising
- Mountain Biking
- Destination Lodge Resort
- Ski Touring

6.1 Ocean Kayaking

6.1.1 Discussion

Ocean kayaking is an increasingly popular sport, with links to products such as marine and land wildlife/ natural history, hut-to-hut, mothership adventures, hiking and specific interest tours (hotsprings, cultural, circuits). Potential locations range from the front country to the remote. Facility requirements range from rustic to full service. Duration of stay can be up to two weeks.

Ocean kayak tourists to the North Coast are primarily associated with expeditions and have high expectations for remoteness, naturalness and wildlife sightings. The features and setting of the North Coast are similar to other locations along the BC coast; it is the remote opportunity that sets it apart.

At present, there are between 2 and 4 companies that organize kayak expeditions on the North Coast and this is expected to rise if use trends exhibited in the southern coast continue. Displacement of kayakers from the south coast to more remote areas will put pressure on the North Coast. To ensure the desired experience is not compromised through increased usage, the carrying capacity and/or Limits of Acceptable Change should be established at popular use sights. The impact of hut-to-hut development and mothership on the feeling of remoteness should also be assessed before opportunities are pursued in those areas.

A weakness for the North Coast is the cost of air travel to Prince Rupert and cost to access many of the more remote areas with superb kayak-linked recreation features. Weather is a further constraint and this is where the linkage to hut-to-hut and the mothership product has its strength.

PRODUCT: Ocean Kayaking	
Strengths	Remoteness, scenery, high value features, culture and related features, growing demand, community support, low startup Capital requirements
Weaknesses	Repeatability of feature along coast, high precipitation, cost to access region, poor

	presentation of culture and related features, lack of infrastructure /accommodation in close proximity to best areas to experience the product
Opportunities	Wilderness, ecotourism or adventure markets for kayaking. Links with a mothership, hut-to-hut, circuit routes, overland (hiking, freshwater linkages to marine), hotspring tour, resort
Threats	Land use uncertainties, increased use affecting "remote" experience, forest harvesting, possible conflict with First Nation traditional use or historic sites

6.1.2 Resource Assessment of Ocean Kayaking

Table 6.1-1: Opportunity Evaluation for Ocean Kayaking Based on Resource Criteria

Top Ranked Areas:

Areas C, D, G, I, and J meet most of the criteria identified. Area L is associated with hotsprings, which are identified as having a very high capability that is unique on the coast.

Communities Most Able to Benefit From This Product:

Prince Rupert, Metlakatla, Hartley Bay, Port Simpson are situated close or have special relationships with the areas identified as having high capability.

6.1.3 Market, Economic and Social Assessment of Ocean Kayaking

The resource evaluation has identified Areas C, D, G, I, J and L as those that rank highest with regard to the evaluation criteria. Area C is the Dundas Island group and is most closely associated with the communities of Port Simpson and Metlakatla. Area D is the area around Digby Island, Lucy Island and Big Bay, the communities of Prince Rupert, Port Edward, Metlakatla and Port Simpson are in closest proximity. Area G is the Porcher Island area and is associated with the communities of Oona River and Kitkatla. Areas I and J have significant physical assets but is potentially too remote to develop a safe, sustainable product. Area L (Verney/Gardner Channel) is in close proximity to the community of Hartley Bay. The following discussion focuses on ocean kayaking being developed in these specific geographic areas.

6.1.3.1 Market Assessment

Market and demand - Ocean kayaking is carried out along shorelines to shallow coves and rocky coasts that cannot otherwise be reached. It generally requires a good fitness level, and has its strongest appeal with younger travellers. Ocean kayaking operators frequently include bird, whale or nature observation as a secondary activity. Ocean kayaking can also play a secondary role as part of other travel experiences that involve wilderness activities.

Kayak trips can range from a few hours to several days. Multi-day excursions can be from point-to-point, or from base camps or ships. Accommodations vary, ranging from tents and rustic cabins, to destination resorts.

A recent survey in the US showed that an estimated 2.6 million people participated in kayaking (both whitewater and kayak touring) in 1994/95.[34] Canada with the US has been identified as the top global destination for this sport. More men participate in ocean kayaking than women, and the rate of participation increases with income level. The demand for ocean kayaking has increased dramatically over the past 10 years for a number of reasons:

- the sport's growing profile;
- promotion of kayak touring as a safe sport due to stringent industry standards;
- easier access to appropriate equipment, whether renting or buying;
- higher-quality equipment which makes it easier to learn and become proficient at the sport; and,
- growth in the demand for wilderness experiences and soft adventure.

The market for ocean kayaking is primarily North America. BC is the most popular area for ocean kayaking in Canada, and large shares of its participants are from this province.

Kayaking can be classified as recreational, ecotourism, wilderness, and adventure, although a tour can combine these. Each type has different degrees of amenities, and environmental impacts, and appeal to specific markets. In developing a kayaking tourism product, the proponent would need to decide what focus to take, and which market to target.

Competition - In 1989 there were 15 ocean kayaking companies on the west coast of BC. Today, there are approximately 250 companies operating within the ocean kayaking industry in BC. However, about 100 of these would be considered very small and ocean kayaking is considered a secondary operation by the owners whose primary activity is another tourism business. These secondary ocean kayaking operators typically do not advertise their products and are difficult to find.

Of the remaining 150 operators, there are 30 to 40 larger ocean kayaking companies in the province. These companies are characterized by certified guides and have operating guidelines in place. In addition, there are five very large expeditionary ocean kayaking companies. These companies employ 10 guides or more during the summer months. Two of these five companies are based on Vancouver Island, two more are based in Washington State, and one company is based out of Vancouver.

On the North Coast there are currently two kayaking operators based in Prince Rupert. Two expeditionary kayaking companies also frequent the North Coast – one from Vancouver and the other from Seattle. The latter two provide seasonal kayaking tours in the vicinity of Porcher, Stephen and Dundas Islands. There is also a kayak rental store in Prince Rupert.

6.1.3.2 Physical Criteria

Location and accessibility

- Access from Port Simpson or Metlakatla to the Dundas Island group (Area C) is across Chatham Sound, which is a relatively long crossing affected by high winds. Thus a shuttle would be required to transport kayakers to the beaches on these islands.

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[34] Wight, Pam & Associates (March 1999). *Market Analysis for Gwaii Haanas National Park Reserve/Haida Heritage Site.*

- Kayakers can reach Digby Island, Lucy Island and Big Bay (Area D) by kayaking along the shoreline from any of the nearby communities.
- Kayakers destined for Porcher Island (Area G) can either travel from Prince Rupert (by kayak, or boat shuttle to a sheltered location like Kitkatla Channel), or use Kitkatla or Oona River as a starting point, if the operation is located there.
- The kayaking distance from Hartley Bay to the hotsprings, the scenic areas and the sheltered waters of north Hawkesbury Island / Verney passage is approximately 30 kilometers. The area is suitable for mothership kayaking or shuttling may be required.
- The Estevan Group (Area J) is a considerable distance west of Hartley Bay. Shuttling best accesses the features of this area.

Infrastructure requirements - The actual activity of kayaking requires no physical infrastructure other than sandy beaches for loading and unloading and the occasional camping area. Supporting activities such as accommodation and transportation represent the main infrastructure requirement. In all the smaller communities associated with the high capability areas for kayaking, air and water transportation is available, although infrequent service and high cost could be an obstacle to development of kayaking operations. Ocean kayaking could also draw on local accommodation if a local community is used as a staging area. Among the communities in the areas with the highest ocean kayaking potential only Oona River currently possesses formal accommodation. Hartley Bay is developing accommodation and the other communities have bed and breakfast accommodation.

6.1.3.3 Economic

Potential economic yield - There could be some single day touring use based out of any of the communities. However, ocean kayaking would typically consist of multi-day ventures with clients willing to pay for guided experience and will often purchase packaged tours. Most (86 percent) ocean kayaking packages last longer than one day. In 1993 clients typically paid an average of $112 per day.[35]

Employment - Ocean kayaking typically has one owner/operator who works year round, three guides who work June, July and August and an equipment person who handles reservations, phone enquiries, and other logistics of the operation. Many of the smallest operations could be characterized as "mom and pop" operations whereby the family would do all tasks. At the other end of the scale are the large expeditionary kayaking companies who employ 10 or more guides. On average each ocean kayak operation creates approximately 2 person-years of employment annually.

Capital requirements - The average gross profit per ocean kayaking operator was $36,600 in 1993 with a average gross margin of 30.7 percent. Typically a small to moderate initial investment is required for an ocean kayaking venture. The small capital start-up typically allows the operator several avenues for start-up financing.

6.1.3.4 Government Policy

If operator frequently uses a specific land area as part of a kayaking tour (fourteen days in a six-month period), they would be required to obtain a License of Occupation from BC Assets and Land Corporation. These are generally of a 10-year duration.

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[35] Tourism Canada (February 1995), *Adventure Travel in Canada: An Overview of Product, Market and Business Potential.*

6.1.3.5 Social and Community

Compatibility with existing recreation - Ocean kayaking is compatible with all other tourism and recreation activities that exist or are being considered in the highest capability areas. For the most part, kayakers seek out solitude and wilderness type experiences. In four of the five areas there will be minimal issues, although there could be some conflict in Area D, in the immediate area around Prince Rupert. Area D is subject to greater levels of marine traffic and already has a moderate level of recreational use. For all areas, it will be important to know what the acceptable level of change or carrying capacity is for ocean kayaking.

Compatibility with other economic and community uses - Visual quality is critical for the ocean kayaking experience. Therefore, forest practices carried out within view of the water or at overnight usage areas must be sensitive to sight lines, or this opportunity will be negatively impacted. Ocean kayaking may create some conflict associated with First Nation traditional harvesting areas and cultural sites. With good communication these issues could be mitigated.

Local economic development support /Community support - The development of ocean kayaking ventures generally fits with in the economic development goals of all the communities. Each community is currently exploring ocean kayaking opportunities and the development of ocean kayaking ventures by outside interests will not be well received if they do not meet with local objectives. Permissions should be obtained from the First Nation in whose traditional territory the operation is being developed. Specific negotiations will be required if infrastructure is to be developed near a site of cultural or historic significance.

Local skills/Labour market - Operators and their employees are generally required to be professionally certified kayak guides; hospitality training and first aid instruction are also important. There is a local labour pool that could be developed to support the opportunity. However, outside of Prince Rupert the specific local skills do not exist to provide guided kayaking. Individuals interested in kayaking opportunities would therefore require training in several aspects of the kayaking business.

Table 6.1-2: Market, Economic and Social Assessment of Top Areas for Ocean Kayaking

Market Criteria		Existing	Potential
Product utilization in area		L-M	M-H
Link to other products		L	M
Competition	Regional	L	M
	Provincial	H	H
Demand trends	North American / International	M	H
	Provincial	M	H

Physical Criteria		
Location and accessibility	- Access from staging area by kayak, shuttle or mother ship.	moderate – good
Infrastructure requirement	- Minimal infrastructure required. Transportation & accommodation infrastructure is a barrier for some.	M
Economic Criteria		
Potential economic yield	- Multi-day visits from clients willing to pay for experience	H
Employment benefits	- Season is several months, small number of jobs created.	M
Capital requirements	- Start-up Capital requirements are minimal.	L – M
Government Policy		
Tenure required	- License of Occupation will be required if kayakers frequently spend nights at certain locations.	Y
Social and Community		
Compatibility with existing recreation	- Yes, compatible with local recreation and other tourism activities – must be mindful of carrying capacity.	Y
Compatibility with other economic and community uses - site specific	- Sensitive to visual quality. - Could impact sensitive First Nation traditional use areas.	Y
Local economic development support/Community acceptance	- In general fits with local tourism develop initiatives.	Local operation – H Outside interest – L
Local skills/Labour market	- Local expertise generally lacking – but could be developed over time. Opportunity for local employment.	M

6.2 Hut-to-Hut

6.2.1 Discussion

Huts provide an ecotourism experience (low impact, non-consumptive tourism) with a degree of comfort in a chosen setting, and allow recreationists a warm shelter, making them well suited to this region of high precipitation. Huts normally provide a rustic experience but there are also opportunities to provide high-end accommodations. Situated in a chain approximately a day's travel apart, they allow tourists and recreationists the opportunity to pursue their chosen activity unencumbered by the equipment required for multi-day excursions. Hut-to-hut opportunities are best associated with the:

- sub-alpine/alpine features. Activities: ski touring, hiking, mountaineering and wildlife/ nature viewing;
- lake features. Activities: freshwater sport fishing, canoeing, hiking and wildlife/ nature viewing; and,
- marine interface features. Activities: kayaking, small boating, hiking and wildlife/ nature viewing.

The topography and climate of the North Coast is well suited for this product. The coast has numerous lakes and the marine interface includes large and small islands, beaches, coves, bays, and lagoons. There are accessible sub-alpine/alpine areas close to Prince Rupert.

A hut-to-hut product is not presently available on the North Coast. Although the topography and climate of the North Coast is similar to northern Vancouver Island and the Central Coast, the remoteness of the region, tied to the proximity of First Nation communities which can provide a cultural experience and act as a local staging area, would appeal to those seeking a natural, undeveloped environment.

PRODUCT: HUT-TO-HUT TOURING	
Strengths	Remoteness, scenery, high value recreation features, optimum topography, successful model in place for rustic product, community support for locally-based initiative, minimal training required
Weaknesses	Potentially repeatable product along BC Coast, lack of support infrastructure (trails), cost to access region, some difficulties staging from remote communities because of distance to transportation nodes, difficult for private operator to obtain financing, compliance and enforcement, vandalism, carrying capacity unknown, relatively untested high-end product.
Opportunities	Rustic to high-end alpine, lake and marine hut-to-hut; linkage with US Forest Service cabin system, and possible international Inside Passage marine park system
Threats	Land use uncertainties, increased recreation use affecting "remote" experience, forest harvesting.

6.2.1.1 Description of Marine Interface Hut-to-Hut

- The concept holds potential as a regional attraction and is modeled in part after the US Forest Service huts in Alaska. Huts can be located one or more kilometers apart, depending on feature suitability and management capability.
- Hut structures can range from rustic with basic facilities to "high-end" with more comfortable amenities. The huts can be based on land or established as floating structures.
- An optimal solution for high-end huts (based on single cabins) would be to establish floating Areas. Each site would require a foreshore lease. Huts can be floated to more secure locations during the off season. High-end floating huts are not to be confused with lodges, which contain multiple suites or rooms. A lodge facility may be more conspicuous and may compromise the remote experience.
- Land based huts can be modeled after US Forest Service huts in Alaska. These are rustic, easily constructed and maintained, and are less intrusive on the landscape. The huts in Alaska have been very popular and are fully booked during the summer.
- Excursions would originate in Prince Rupert but visitors would be shuttled to use the nearest community, which would act as a staging area.
- Management of the hut-to-hut product requires bookings and payments, daily maintenance, site rehabilitation and enforcement of trespass. This management could be undertaken from the nearest community.
- Bookings for huts can be made prior to the season. Hut locations can be posted on the Internet, described in brochures, and elaborated on during the booking. A party can book a hut for a number of days or book different huts for different days. A kayaker can plan a trip with stop-overs at different huts. A larger network of huts would provide a tourist with more flexibility in planning and increase the potential for repeat business.
- Policies on compliance and enforcement with regards to trespass and non-payment would need to be established.

  Excerpt from US Forest Service web site:

  - Some of our most popular recreation facilities are the public recreation cabins. Reservations are required and rental fees run from $25 to $45 a night per cabin. Check out the cabin listings on this site or contact any of our offices for further details and make your choice. Then call the National Recreation Reservation System toll-free at 1-877-444-6777 to make your reservation.
  - Our cabins are rustic - they are a true Alaskan experience! Facilities you can expect include: plywood bunks, wood or oil stoves for heat, cooking counter and table, shelves and cupboard space, and an outhouse toilet. Bring your own sleeping bags, pads, cookstove, pots, pans, plates, utensils, toilet paper, garbage bags and fire starter. If the cabin you are planning to use has an oil stove, plan on bringing your own stove oil (oil use varies from 5 to 10 or more gallons per week depending on the cabin size and the weather). Be sure to check whether the stove takes No. 1 or No. 2 oil.
  - Anywhere except in the Petersburg-Wrangell area, if a mooring buoy is provided for your boat, you do not have exclusive use of the buoy. Policy on some buoys is first-

come/first-serve; however, use by more than one vessel is permitted, provided the first party there agrees. In the Petersburg-Wrangell area, mooring buoys and floats provided at recreation cabins are for cabin permittees only.

6.2.2 Resource Assessment of Hut-to-Hut

Table 6.2-1: Opportunity Evaluation of Hut-to-Hut Based on Resource Criteria

Top Ranked Sub-product:

The topography, climate, features and recreation opportunities for the North Coast are most suited for the marine hut-to-hut sub-product.

Top Ranked Areas: These areas identified meet the criteria most suitable for marine hut-to-hut

- Porcher Island (Area G) has outstanding recreation features and kayak opportunities, has sections where there is a close proximity between open and sheltered waters (opportunity for trail development), is close to Kitkatla/Oona River and regional transportation.
- Dundas Island (Area C): has outstanding recreation features and kayak opportunities. Both Port Simpson and Metlakatla could take advantage of this opportunity.
- West Pitt Island (Area I): has outstanding recreation features and kayak opportunities. It is equi-distant from Hartley Bay and Kitkatla, but outside of Hartley Bay's traditional territory.
- The Estevan Group (Area J) includes the outstanding features of Trutch and Campania Islands. Hartley Bay is the community in nearest proximity.
- Princess Royal Island (Area K): has outstanding recreation features. Hartley Bay is the community in nearest proximity.

Communities Most Able to Benefit from This Product:

- Kitkatla, Oona River, Port Simpson, Metlakatla and Hartley Bay are situated nearby or have special relationships with the areas identified as having high capability.

6.2.3 Market, Economic and Social Assessment of Marine Hut-to-Hut

The following table evaluates the marine hut-to-hut product (both rustic and "high-end") on the North Coast, based on market, physical and socio-economic criteria.

6.2.3.1 Market Assessment

A marine interface hut-to-hut product is a series of coastal huts or cabins, located 1 or more kilometers apart, depending on feature suitability and management capability. Recreationists can book one hut or cabin as a destination point, or travel between several as part of a longer trip. Travel between the huts would be largely by small vessel or kayak.

In Alaska, recreationists generally travel to one hut as a destination, rather than having a number of stopovers at different huts. However, in at least one district the concept of linking a series of rustic huts is being considered.[36]

The market potential for a marine hut-to-hut product is probably significant, judging from the increasing demand for this product in Alaska. In **Section 6.1**, it was shown that the overall North American market for kayaking was estimated at 2.6 million in 1994/95. Canada and the US are identified as the top global destination for sea kayaking.

The kayaking market has three components: ecotourism, wilderness, and adventure. The rustic hut-to-hut product is likely to appeal to the wilderness ocean kayaker, who is generally characterized as follows:[37]

- seeks recreation with pristine environment, moderate challenge, solitude;
- prefers minimum development and limited modern conveniences;
- travels in small groups, little tolerance for other people; and,
- enjoys multi-day camping trips.

The use of the Alaskan hut network is growing, however current usage figures are unavailable from the US Forest Service. Families and groups, primarily from the western US, generally book the Alaskan cabins. This product does not appeal to the international market because visitors are required to bring their own equipment, and the travel arrangements can be arduous.

A high-end hut-to-hut product would have a greater level of comforts and amenities and therefore require more maintenance and patrolling, on a year round basis. Recreationists seeking this type of product could arrive by kayak, small or large privately-owned vessel, or possibly via a shuttle. They would likely expect access to a greater number of activities, including kayaking, boating, hiking, or wildlife viewing. Clearly, this product would be aimed at an entirely different market than the rustic version.

As there are few precedents for high-end hut-to-hut products in BC, it is difficult to determine whether the revenue from this type of operation would justify the initial capital investment, particularly if a hut is rented to one user at a time (compared to lodges, which generate revenue from several visitors at any given time). If this product were being considered, a detailed feasibility assessment would be required.

A hut-to-hut product could be marketed regionally, provincially or – with a central booking system like that used by the US Forest Service – in the regional US (Pacific Northwest). In the longer term, hut-to-hut products on the North Coast could be marketed as part of the proposed international Inside Passage marine park system (the proposed system stretching from Washington State to Alaska), should it come to fruition.

Competition - There are no hut-to-hut products presently offered on the North Coast or coastal BC. The only competition is that offered by the US Forest Service in Alaska. Although bookings are increasing, some of the Alaskan cabins and huts are not always fully utilized, particularly those that are more remote.[38] The US Forest Service is presently contemplating decommissioning certain underutilized huts, or relocating them to more popular areas. As the demand for this type of wilderness experience grows and the Alaska products are more fully utilized, there will likely be more demand for hut-to-hut products.

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[36] Source: representative of the US Forest Service, Craig Ranger District, March 2000.

[37] Ibid.

[38] Source: Representative of the US Forest Service, Craig Ranger District, March 2000.

6.2.3.2 Physical Criteria

Location and accessibility

- Kayakers destined for Porcher Island (Area G) can either travel from Prince Rupert (by kayak, or boat shuttle to a sheltered location like Kitkatla Channel), or use Kitkatla or Oona River as a staging area.
- Access from Port Simpson or Metlakatla to the Dundas Island group (Area C) is across Chatham Sound, which is a relatively long crossing affected by high winds. Thus a shuttle would be required to transport kayakers to the beaches on these islands.
- West Pitt Island (Area I) is relatively equi-distant from Hartley Bay and Kitkatla. Access is via the Principe Channel. It would be difficult to regularly maintain huts from these communities, so a camp closer to the huts would need to be established. The land is inside the traditional territory of Kitkatla.
- The Estevan Group (Area J) is a long way from the nearest community. Huts could be maintained an monitored from a camp established in the area.
- Princess Royal Island (Area K) lies within the sphere of influence of Hartley Bay, although the community is a long distance away from the best sites. The huts could be maintained and policed from a camp established closer to Princess Royal Island.

Infrastructure requirements - The development of the huts represents the key infrastructure requirement for this opportunity. For hut-to-hut activities linked with the marine environment, and associated with activities such as kayaking, little other infrastructure would be required. Hut-to-hut experiences linked with land based activities would need the development of an appropriate trail network.

6.2.3.3 Economic

Potential economic yield - Product would encourage multi-day use however, expenditures would be low for unguided parties and moderate for guided parties.

Employment - Both low and high-end hut-to-hut products would generate a small number of direct jobs, with the number depending on the level of services and support required. Potential jobs could include:

- marketing and central booking,
- operations, maintenance, policing,
- boat/shuttle operations to huts,
- guides and activity providers.

More employment is likely to be generated in a high-end hut-to-hut venture. This employment would initially be seasonal. If the hut-to-hut product were to successfully establish a storm viewing market (shoulder season), employment could be extended to eight or more months of the year.

Capital requirements - The investment required for the development of rustic hut-to-hut would likely be moderate to minimal and would depend on the number and type of cabins built. This could be a feasible investment for a community or non-profit group in partnership with a government agency such as the Ministry of Forests. The appropriate approach may be to start off with a small number of rustic cabins and then over time develop the network as financing becomes secured. Bank financing would be difficult to obtain for this type of venture because of the remote nature of the cabins. As well, if the cabins were situated on land that was not owned by the operators, it could create further difficulties in financing.

A high-end hut system would represent a more significant investment. These kinds of cabins are best built on floating platforms to allow for relocation during the non-operating season to protect the investment. This could necessitate them to be registered as marine vessels, making them more difficult to finance.

The source of capital for this type of venture will depend on who is initiating and ultimately operating the network of huts. In Alaska, the hut system is entirely owned and operated by the US Forest Service, with central bookings carried out by a contractor in New York. The US Forest Service – Alaska Region does not run on a for-profit basis and, in fact, only 60 to 70 percent of the annual costs incurred are recovered from user fees (the rest is paid for by the Forest Service)[39]. However, the indirect employment and income benefits generated by this activity may more than offset the subsidy required. This may be a persuasive argument for government financing of this product.

A private investor could be drawn to the concept of high-end cabins/huts, if it is deemed to be feasible from a business standpoint. Obtaining capital could be challenging in light of the seasonal nature of the operations. The most likely investor would be an independent business, already successfully operating within the tourism industry.

6.2.3.4 Government Policy

If the hut-to-hut venture were privately owned, it would require a tenure issued by the BC Assets and Land Corporation (Numerous Intensive Use Sites License of Occupation). Site development and any trail development could all be incorporated under a single tenure.

The Ministry of Forests has indicated that if this development opportunity is undertaken by a non-profit organization, a co-management agreement between the organization and Ministry of Forests could be established. Under these circumstances, the Ministry of Forests would be able to assume some of the liability associated with the endeavour. A non-profit organization also has more avenues to obtain funding for hut construction, including lotteries and fund-raisers.

6.2.3.5 Social and Community

Compatibility with existing recreation - Rustic hut-to-hut would be compatible with other tourism and recreation activities as long as the carrying capacity for the local area was not exceeded. Local recreational users would likely raise concerns if the hut-to-hut network drew significantly more recreational users to an area already popular with locals. To maintain the appropriate balance, good communications would be required between local recreational users and the operator of the hut-to-hut venue.

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[39] Source: Representative of the US Forest Service, Craig Ranger District, March 2000.

High-end hut-to-hut would likely be marketed as an exclusive activity. Therefore, it would be best placed where there is limited interaction with existing recreational activities.

Compatibility with other economic and community uses - Visual quality would be critical for a high-end hut-to-hut product. Therefore, forest practices carried out within view of a hut would need to be planned accordingly. Set back of the huts from the view of passing vessels would also be important to maintain privacy and a sense of remoteness. The development of a series of huts would benefit communities through the tourism opportunities they present and by providing outlets that would facilitate monitoring of nearby lands by members of the community. This second benefit is of particular importance to First Nation's communities. Huts also provide a "safe haven" which can be utilized by local residents during winter months when tourism use is expected to be minimal.

Local economic development support/Community acceptance - A locally-owned and operated rustic hut-to-hut product would likely fit well within local economic development plans. However, a high-end hut-to-hut venture owned and operated by a non-North Coast business would not be highly supported among the local communities, for much the same reason as the Alaska cruises are not seen to benefit the North Coast. The venture would need to demonstrate clear economic linkages and partnerships for the local community before it would be considered a good fit within the local economic objectives.

Unless being developed by the local First Nations, permissions should be obtained from the First Nation in whose traditional territory the operation is being developed. Specific negotiations will be required if infrastructure is to be developed near a site of cultural or historic significance.

Local skills/Labour market - Training required to own and operate a rustic hut-to-hut operation is minimal. For the rustic product, locals would easily be able to obtain the necessary skills, if they do not already have them. For a privately funded high-end hut-to-hut product, an entrepreneur with experience and resources to undertake this venture and possibly some key staff would likely be required from outside the North Coast.

Table 6.2-2: Market, Economic and Socio-economic Assessment of Top Areas for Hut-to-Hut

Market Criteria		Existing	Potential
Product utilization	Frequency in region	L	H
Link to other products		L	M
Competition	Regional (Alaska)	M	M
	Provincial	L	M
Demand trends	North American / International	H	H
	Provincial	L	M
Physical Criteria			

Location and accessibility	• Some too distant from communities for regular maintenance/policing	moderate - good
Existence of infrastructure	• Construction of huts and supporting structures would be required – little available infrastructures now	L
Economic Criteria		
Potential economic yield	• Multi-day use with low to moderate expenditures	M
Employment benefits	• Some seasonal or year round jobs (higher for high-end, or year round, product)	M
Capital requirements	• Moderate to significant investment to develop project.	M-H
Government Policy		
Tenure required	• License of Occupation is required	Y
Social and Community		
Compatibility with existing recreation	• Compatible with other local recreation uses if it is not seen to draw too many visitors to an existing recreation area	Y
Compatibility with other economic and community uses - site specific (see note below)	• Sensitive to visual quality • Could impact sensitive First Nation traditional use areas	Y
Local economic development support/Community acceptance	• Strong for locally owned and operated product • Less support for non-locally controlled operation	local operation – Y outside interests - N
Local skills/Labour market	• Local labour force would be used, but some non-local skills may be required	H

6.3 Wildlife/Natural History: Land

6.3.1 Discussion

Wildlife and natural history viewing are activities closely associated with ecotourism because they are low impact and non-consumptive. They are also linked to many other activities such as coastal cruising, ocean kayaking and sport fishing. Ecotourism is a growth industry, a trend that is expected to continue.

The North Coast offers tremendous opportunities in this product area. The coastline has been molded by glaciation and sculpted by water and wind activity. There are numerous inlets, coves, bays, islands, islets, shoals, lagoons and beaches. Large lakes, many containing scenic cliffs, are abundant in the region. There are numerous small and two major river systems that empty into the Pacific Ocean on the North Coast. Linkages between the lakes, via creeks, rivers or land, may allow circular travel on water with portage routes.

The area has high value for Grizzly bear viewing. Princess Royal Island is renowned for the Kermode bear. Other fauna is abundant and can be sighted along rivers and adjacent mountains, including mountain goats, black bear, eagles, and migrating birds. The rivers are well known for salmon and steelhead that are ideal for fishing and for viewing during spawning. Few of the sub-products can exist in isolation; they are interrelated and, when several are combined, can be developed into a viable tourism product in the North Coast.

6.3.1.1 Product Discussion

Grizzly Bears:

Primary viewing areas:

Area	Unit	Community	Designation	Comments
Khutzeymateen	E	PRM,PS	Park *	Tidal areas, viewable from marine
Kwinamass River	E	PRM,PS	Crown	Tidal areas, viewable from marine
Grandby Bay – Antioch	B	KG	Crown	Tidal areas, viewable from marine
Kshwan River	B	KG	Crown	Tidal areas, viewable from marine
Alice Arm	B	KG	Crown	Tidal areas, viewable from marine
Stagoo Creek	B	KG	Crown	Tidal areas, viewable from marine
Green Inlet (Lagoon)	K	HB	Crown	Tidal areas, viewable from marine
Khutze River Estuary	K	HB	Crown	Tidal areas, viewable from marine

* Two Park Use Permit holders: Dan Wakeman (Sunchaser Charters, Prince Rupert) and Tom Ellison (Ocean Vision, Vancouver)

* Two native "guardians" (Norman Faithful and Allen Green, both of Port Simpson) work seasonally (3 months) for BC Parks, recording and reporting.

Season: May, June, July: Bears congregate at the tidal zone to graze on sedges before the arrival of berries, salmon and other foods. The topography of the rivers in the region allows the bears to spread out during the salmon season limiting the viewing capabilities.

Strength: Reliable presence of grizzly bears. High reliability of sightings during optimum season.

Weakness: Short season, safety issues, limited number of viewing areas close to population centers (PR). Frequent visitation may result in habituation of the bears.

Hunting pressures: Currently minimal in crown lands.

Black Bears:

May be observed throughout the region. Although common, the level of confidence for ensured sighting is low, with the exception of Weinberg Inlet on Pitt Island. There is increasing reliability of sightings in similar localities and seasons as the Grizzly bear. Frequent visitation may result in habituation of the bears.

Kermode "Spirit" Bears:

Primary Viewing Areas: Princess Royal Island, Gribbell Island

Strength: Unique in the Province (There is also a population in the Kalum Forest District)

Weakness: Low confidence of reliable sightings but there are indications of locations with increased reliability. Reliable locations have not been revealed. Frequent visitation may result in habituation of the bears.

The opportunity to view this bear has been heavily marketed. Princess Royal Island is the best known destination, with Bella Bella the primary staging area.

Mountain Goats:

Primary Viewing Areas: May be observed along Highway 16 to Terrace and in other sections of the Coast. Locations mentioned include Arrandale across from Gingolx.

Strength: Presence in District

Weakness: Distance from viewing areas. Requires binoculars.

Hotsprings:

Strength: Unique and rare concentration of hotsprings in District.

Weakness: Mostly underdeveloped. Development risks surpassing carrying capacity or limits of acceptable change.

Large Rivers:

Skeena and Nass are the largest. Ecstall River is noteworthy. All the rivers have tremendous tidal influences.

Lakes:

Numerous scenic lakes in region with good sport fishing. Of particular note are the lakes on Princess Royal Island (Butedale, Anchor, Canoona, Bear, Deer and Goat Lakes) and those between Hartley Bay and Klewnuggit Inlet.

Scenic Landscapes:

Outstanding scenery consisting of attractive features such as high cliffs, rock outcroppings and waterfalls: Significant locations include Hidden Inlet, Union Inlet, Wales and Quottoon Inlet, section of Skeena River, south Pitt Island, Princess Royal lakes, Gribbell Island as well as many of the outer coast islets and bays.

Fishing – Lakes and Rivers

Strength: Numerous smaller lakes adjacent to population centers and larger lakes have excellent fisheries. Kitkatla has a fly-in opportunity. All of the lakes have natural populations (none are stocked). The Skeena and Ecstall Rivers have significant recreational fisheries.

Weakness: Regional competition for the same product with the exception of the larger lakes (particularly in Princess Royal) which have excellent fishing coupled with spectacular scenery and remoteness.

PRODUCT: WILDLIFE/NATURAL HISTORY: LAND	
Strengths	Remoteness, scenery, limited development, high quality bear (and other wildlife) viewing areas, high recreation value features, excellent salmon, trout and steelhead river fishery, strong local labour force.
Weaknesses	Intervening opportunities along BC coast, limited wildlife viewing sites, cost to access region, influences of tides on the rivers and estuaries, extended periods of wet weather.
Opportunities	Educational tours, link to other products like overland routes for hiking/canoeing/portage, cultural products.
Threats	Land use uncertainties, increased use affecting "remote" experience, forest harvesting

6.3.2 Resource Assessment of Wildlife / Natural History: Land

Table 6.3-1: Opportunity Evaluation for Wildlife/Natural History: Land Based on Resource Criteria

Top Ranked Sub-products:

- Hotsprings: This feature is uncommon and a cluster such as can be found in the southeast section of the North Coast is rare.
- Wildlife: Grizzly Bear, Kermode bear.
- Natural History: Hotsprings, large rivers, lakes, cliffs, gorges, escarpments and islands/archipelagos.
- Freshwater Fishing: High value lake and river fisheries are notable but are primarily of local value. Commercial river fisheries are situated in the adjacent districts, which have very high freshwater fishery values (Kispiox, Kitsumkalum, upper Skeena, Nass, Kitimat, etc.)

Top Ranked Areas:

- Area K contains Kermode and Grizzly bears from Princess Royal and the mainland, scenic lakes with excellent fishing, and other high value recreation features.
- Area L contains the greatest concentration of hotsprings on the west coast, as well as Kermode and Grizzly bears.
- Areas B, H, P, Q, D, F, and E meet the criteria most suitable for land based wildlife and natural history viewing. Many can be accessed via marine modes of transport with the development of trails.

Communities Most Able to Benefit from This Product:

- Prince Rupert, Metlakatla, Hartley Bay, Laxgalts'ap, Gingolx and Port Simpson are situated close or have special relationships with the areas identified as having high capability.

6.3.3 Market,Economic, Social Assessment of Wildlife- Natural History: Land

6.3.3.1 Market Assessment

Market and demand - On the North Coast, wildlife and natural history viewing will often be linked to other activities such as marine cruising, destination lodges, or air touring. Non-consumptive use of wildlife resources has been identified as one of the fastest growing components of tourism around the world. There has clearly been a shift in traveler preferences over the past decade with regards to appreciation and participation in land-based tourism activities and wildlife viewing. Wildlife viewing and natural history activities have been projected to grow by approximately five percent annually in BC. Wildlife viewing, with 20 percent of participants being 55 years or older, has the highest average mature adult participation rates among ecotourism activities.

BC has become recognized worldwide for its diversity of wildlife and scenic viewscapes. While visitors to BC may undertake several activities on their visits, many spend some or all of their time participating in some form of land-based activity. Table 6.3-2 outlines the participation rates for land-based activities identified from the 1996 tourism survey in BC.

Table 6.3-2: BC 1996 Visitor Survey: Land Based Participation

	Number of Total Visitors	Participation in Land-Based Activities[40]
Long Haul US (California/Hawaii, Mountain States, Central & Eastern States, and Mexico)	1,958,000	69%
Regional US (Washington, Oregon, Idaho, Montana, Alaska)	3,615,000	58%
Regional Canada (Alberta, Manitoba, Saskatchewan, NWT, Yukon)	3,706,000	64%
Long Haul Canada (Rest of Canada)	1,196,000	59%
Europe	535,000	79%
Asia/Pacific	828,000	66%[41]

Source: Tourism British Columbia

Competition - There are two operators in the study area who undertake wildlife viewing as their primary activity. These operators have park use permits for the Khutzeymateen Provincial Park. Typically visitors are taken to the Park in the spring to view wildlife such as Grizzly Bears. There are several other operators on the North Coast who have identified land-based wildlife viewing as a secondary business activity, many of these taking advantages of opportunities that present themselves rather than pursuing new opportunities.

6.3.3.2 Physical criteria

Location and accessibility - The top ranked southern areas for this activity would be accessible by boat or float plane with Hartley Bay and Kitkatla in close proximity to the areas. Prince Rupert and Kitimat would likely serve as the initial staging areas for these southern activities. The communities of Port Simpson and Gingolx may soon be accessible by road, but currently these communities are accessible only by air or water. Road access would allow these communities to become more of a direct staging area for wildlife viewing in the top ranked northern areas of B and F.

Infrastructure requirements - Depending on the wildlife/natural history viewing activity and the number of visitors, new infrastructure in the form of trails may be required. However, it is conceivable that a new land-based viewing venture could be developed with minimal new infrastructure requirements if the activity is associated with marine access or could utilize existing roads and trails and involved small numbers of visitors. If communities outside of Prince Rupert wanted to fully capture the economic value of these opportunities, there may be a need to upgrade and expand the availability of local accommodation and services.

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[40] Land based activities includes: visiting National/Provincial parks, Wildlife viewing/bird watching, hiking/backpacking, exploring backcountry wilderness.

[41] For the sub-category "All other Asia/Pacific" (excluding Australia, New Zealand, Japan) participation in land based activities jumps to 85%.

6.3.3.3 Economic

Potential economic yield - On the North Coast land-based wildlife/natural history viewing would range from day trips to view wildlife along the major roads ways, such as eagle viewing near Prince Rupert, to multi-day visits in more isolated areas. Given the overall remoteness of the region, planned tours around wildlife/natural history would typically involve overnight trips involving significant expenditures. In 1993, Canadian bird watching operators offered packages that averaged 6.5 days in duration at $100 per day.

Employment benefits - Some seasonal jobs, directly associated with a new venture, would be created. Canadian bird watching businesses average just over three employees. However, combined with other tourism activities, wildlife/natural history viewing could serve to expand and diversify current tourism operations, and therefore employment, in the region.

Capital requirements - Development of additional transportation and accommodation would be the primary capital requirements. Depending on the business arrangement, capital requirements could be minimal if an operator was in partnership with transportation or accommodation providers. Capital requirements would increase proportionally if an operator intended to offer all services required to support the venture. Financing for an operation focused exclusively on wildlife viewing would likely face many challenges from lending institutions.

6.3.3.4 Government Policy

If a private trail or campsite development were to be built for wildlife/nature history viewing then a License of Occupation from BC Assets and Land Corporation would be required. If a public trail or campsite was to be used, then agreements for use and maintenance with the Ministry of Forests would be required. Activity targeted within provincial parks would require park use permits.

6.3.3.5 Social and Community

Compatibility with existing recreation - Commercial wildlife/natural history viewing would be compatible with other recreational uses. Some site-specific conflicts would be likely. However, these should be manageable through on-going communication with other users.

Compatibility with other economic and community uses - These activities would be sensitive to changes in the visual quality of the area and an increasing percentage of ecotourists are interested in the integrity of the forests and the land-base (i.e., old growth forested lands). New activities would be obliged to be sensitive to First Nation traditional land uses and historical cultural sites on the North Coast.

Local economic development support/Community acceptance - All of the communities on the North Coast have either begun developing new land-based tourism activities or are exploring specific opportunities. New operators that meet local community objectives will find a supportive environment, while operators that do not involve the local community will find local resistance to their operation.

Unless being developed by the local First Nations, permissions should be obtained from the First Nation in whose traditional territory the operation is being developed. Specific negotiations will be required if infrastructure is to be developed near a site of cultural or historic significance.

Local skills/Labour market - Local labour force could be drawn on to develop skills. It is possible that much of the labour force could come from workers already employed locally in the tourism sector or other resource sectors. Some tourism specific training upgrading would be beneficial.

Table 6.3-3: Market, Economic and Socio-economic Assessment of Top Areas for Wildlife/Natural History: Land Based

Market Criteria		Existing	Potential
Product utilization	Frequency in region	L	M
Link to other products		M	H
Competition	Regional	M	H
	Provincial	M	H
Demand trends	North American / International	H	H
	Provincial	M	H
Physical Criteria			
Location and accessibility	• Accessibility is limited to boat and sea plane for many opportunities.		Poor – Moderate
Infrastructure requirements	• Minimal infrastructure in place.		L
Economic Criteria			
Potential economic yield	• Wildlife/Natural History viewing supports single day use through to multi-day use and clients are often willing for the right types of experiences.		L – H
Employment benefits	• Some seasonal – likely to support other tourism sector operators to diversify individual's working season.		M
Capital requirements	• Minimal capital investment required for the development of primary wildlife viewing activities.		L
Government Policy			
Tenure required	• License of occupation for any private trails		Y

	or campsites that may be developed. Agreements with Ministry of Forests for use of public trails or campsites. Park use permit required for Parks.	
Social and Community		
Compatibility with existing recreation	• Generally compatible with other local recreation uses.	Y
Compatibility with other economic and community uses - site specific	• Sensitive to visual quality. • Could impact sensitive First Nation traditional use areas.	Y
Local economic development support/Community acceptance	• Support if developed through existing community processes associated with tourism development.	local operation – Y outside interests - N
Local skills/Labour market	• Local labour force has the skills to promote this product.	M – H

6.4 Wildlife/Natural History: Marine

6.4.1 Discussion

The North Coast offers tremendous opportunities associated with marine wildlife and natural history. Marine life is abundant in the tidal interface, rock ledges and outcroppings, and on the sand, rock and mud sea floors. Anadromous fish such as salmon intimately link the rivers to the sea. The region attracts many varieties of marine mammals.

Outstanding events in the region include the concentrated movement of Oolichans (small fish) as they migrate up several of the regions large rivers. Large numbers of eagles, sea gulls and other avian fauna as well as Orca and seals are present during this migration. Another outstanding event is the return of the Humpback whales every year to the same location (adjacent to the mouth of Work Channel) on their migration south. They appear to be remaining for longer periods of time each year.

6.4.1.1 Opportunity Description

Whales:

Strength: Regular appearance of the Humpback whale in a single location. Sightings of Orcas and white-sided dolphins are common. Grey whales can be seen during the migratory season.

Weakness: Higher fuel costs associated with whale watching than sports fishing, with the exception of the Humpbacks. Although sightings are seasonally consistent, they cane be unreliable on a daily basis.

Humpback Whale

Viewing season: Aug- Sept

Strength: Very showy whale. Reliable sightings in the Work Channel during August and September. The location is reputed to contain substantial numbers of krill and herring. Excellent fishing grounds. One account sighted 24 whales from Trail Bay to mouth of Work Channel.

Weakness: short season.

Grey Whales:

Viewing Season: Aug- Sept. Can be seen off Dundas Island during the migratory season.

Strength: Large whale that occasionally breaches.

Weakness: Unreliable sightings and not as showy as other Humpback or Orca.

Orcas:

Viewing Season: All year with June/ July receiving transient populations.

Strength: Sightings are common (but not reliable). In 1999 summer there were increased sightings of Orcas in Chatham Sound.

Weakness: Travel time of up to 2.5 hours. There are no known rubbing beaches (such as Robson Bight). Unreliable sightings - as low as 18 percent of excursions result in sightings. There is rumour that there are reliable sightings off Oval Bay on Porcher Island. The open sea and distant from make this a weakness for Prince Rupert but a strength for Kitkatla. Increased sightings are associated with better communication with planes, residents and fishermen.

Sea Otters:

The possibility of sightings increases as the species extend their range southwards from Alaska. The west side of Goshen Island, west of Porcher Island, is the most likely location for sightings as it contains the largest known kelp beds close to Prince Rupert.

Salmon:

Strength: tremendous marine fishing. Excellent sports fishery with strong reputation. Local hatcheries.

Weakness: Salmon viewing: Major rivers are muddy and visibility is poor. The smaller rivers do not contain outstanding viewing areas. The development of viewing areas is restricted by the limited influx of salmon into these smaller rivers.

Oolichans:

Viewing Season: Runs occur in February and March for a two-week period.

Strength: Oolichan runs are noted along major rivers, with the greatest concentrations coming to the Nass. Accompanying the oolichan are a tremendous number of predators including thousands of sea gulls, eagles, sea lions, Orcas and other species.

Weakness: Nass Bay is very remote. The viewing season is short and occurs during the winter.

Bird Rookeries:

Strength: Presence.

Weakness: Intervening opportunities along the coast. Distance from staging areas.

Aquatic Landscapes:

Strength: Outstanding marine life. Areas of note include: Tree Knot Islands, Gardner Channel and area (in association with hotsprings), the Goshen Island kelp beds, north end of Stevens Island, and Welcome Harbour (Porcher Island). Significant opportunities for multi-day diving excursions supported by charter boats.

Weakness: The major rivers of the region obscure underwater visibility, particularly during the freshet. The greater the distance from these influences, the better the visibility. There are numerous areas on the BC coast which provide a similar experience for scuba diving. Difficult access to dive sites (charter boats complain of high costs to shuttle, low fees and the potential for damage with fiberglass boats).

Lighthouses:

- Bonilla Island - Scenery, beaches, sea lion rookery, very remote.
- Green Island (near Dixon Entrance) - no trees
- Lucy Island – no longer staffed. Provincial park candidate, beaches, accessible, birds
- Triple Island / Barrett Rock - close to Tree Knots groups, desolate. Tree Knots group is an excellent dive site.

PRODUCT: WILDLIFE/NATURAL HISTORY: MARINE	
Strengths	Remoteness, scenery, limited development, high quality whale viewing areas, high value recreation features, high quality scuba diving on outlying islands.
Weaknesses	Repeatability of product along BC coast, limited number of wildlife viewing areas, cost to access region. Sediment from major rivers minimizes underwater visibility, day-to-day unreliability of sightings, many severe weather systems.
Opportunities	Educational tours. Linkages to other products.
Threats	Land use uncertainties, increased recreation use affecting "remote" experience, forest harvesting impacts on surrounding scenery.

6.4.2 Resource Assessment of Wildlife / Natural History: Marine

Table 6.4-1: Opportunity Evaluation for Wildlife/Natural History: Marine Based on Resource Criteria

Top Ranked Sub-products:

- Humpback Whale, Oolichans: Unique. Strong resources.

Top Ranked Areas:

- Area E includes the mouth of Work Channel, noted for the reliable presence of approximately 24 Humpback whales from August and September. Area Q includes a massive Oolichan run for 2 weeks in March. Numerous predators (gulls, eagles, Orcas, seals, etc.) follow the run.
- Areas C, D, G, H, and J meet the criteria most suitable for general marine wildlife and natural history viewing. These areas are associated with the outer islands where a complex marine environment exists.

Communities Most Able to Benefit from This Product:

- Gingolx, Laxgalts'ap, Port Simpson, Prince Rupert, Metlakatla, Kitkatla, Oona River and Hartley Bay are situated close or have special relationships with the areas identified as having high capability. Port Simpson, Metlakatla and Prince Rupert are best situated to view the humpback whales. Laxgalts'ap and Gingolx are best situated to view the Oolichans.

6.4.3 Market,Economic,Social Assessment of Wildlife-Natural History: Marine

6.4.3.1 Market Assessment

Market and demand - There has clearly been a shift in traveler preferences over the past decade with regards to appreciation and participation in land-based tourism activities. In BC marine-based tourism growth rates have been projected to grow as fast as 10 percent annually.[42]

BC has become recognized for its diversity of marine wildlife and rustic coastal settings. While visitors may undertake several activities on their visits, many spend some or all of their time participating in some form of wildlife viewing. Table 6.4-2 outlines the participation rates for marine-based activities identified from the 1996 tourism survey in BC.

Table 6.4-2: BC 1996 Visitor Survey: Marine Based Participation

	Number of Total Visitors	Participation in Marine-Based Activities[43]

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[42] Price Waterhouse and ARA Consulting Group (June 1996), *Tourism Industry Product Overview.*

Long Haul US (California/Hawaii, Mountain States, Central & Eastern States, and Mexico)	1,958,000	18%
Regional US (Washington, Oregon, Idaho, Montana, Alaska)	3,615,000	13%
Regional Canada (Alberta, Manitoba, Saskatchewan, NWT, Yukon)	3,706,000	17%
Long Haul Canada (Rest of Canada)	1,196,000	7%
Europe	535,000	21%
Asia/Pacific	828,000	18%[44]

Source: *Tourism British Columbia*

Competition - There are two Prince Rupert operators offering whale watching charters as their primary business venture. Four sailing operations (two local and two outside the region) and three diving operations from Kitimat and Terrace also participate in wildlife viewing as a secondary activity. Marine wildlife and nature viewing is also an important element to the ocean kayaking operators. Many fishing charter operations take advantage of wildlife viewing opportunities as they present themselves.

6.4.3.2 Physical criteria

Location and accessibility - The top ranked southern areas (G and J) are accessible by boat or float plane, with Hartley Bay, Oona River and Kitkatla the closest communities to these key areas. Prince Rupert and Kitimat would likely serve as the initial staging areas for these southern sites.

Prince Rupert would serve as the primary staging area for areas C, D and E, with the communities of Port Simpson and Metlakatla acting as secondary staging areas. Float plane or boat provides the primary access. Over time Port Simpson may be able to develop its infrastructure and become more involved with the hosting and staging of wildlife viewing ventures.

Gingolx and Laxgalts'ap are the communities in the closest proximity to Area Q – the Nass. Gingolx is accessible by boat and seaplane, while Laxgalts'ap is accessible by road. Currently Prince Rupert would likely serve as the primary staging area with guests either flying or boating to the Nass area.

Infrastructure requirements - Since these activities are ocean based, no new infrastructure would be required to develop the specific ventures. Supporting infrastructure such as accommodation and marina services could be developed in the smaller communities to compliment marine-based tourism development.

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[43] Marine-based activities include: ocean boating (sail/power) and whalewatching.

[44] For the sub-category "All other Asia/Pacific" (excluding Australia, New Zealand, and Japan) participation in land based activities jumps to 35 percent.

6.4.3.3 Economic

Potential economic yield - On the North Coast, marine-based wildlife/natural history viewing could range from day trips for whale watching to multi-day excursions centered around special events such as the oolichan runs. However, as a product by itself, most marine wildlife viewing would likely consist of a single day venture. Given the nature of marine activities, most visitors would utilize a charter or guided services. In general, significant expenditures are made to participate in this activity. In[45] 1993, whale-watching participants spent approximately $110 per day and 69 percent of excursions lasted less than a day.

Employment benefits - A small number of seasonal jobs directly associated with the venture would be created. In the whale watching sector, each business creates on average 3.8 direct jobs. However, combined with other tourism activities, wildlife/natural history viewing could serve to expand and diversify current tourism employment in the region.

Capital requirements - In 1993, marine wildlife viewing (whale watching) generated average gross profits of almost $32,000 per operator for an average gross margin of 18.5 percent. Development of the marine wildlife and nature viewing venture would require a moderate to large amount of capital to start-up. New marine-based operators would likely be inclined to purchase or lease their own vessels, quickly making their venture an expensive endeavor. This cost would not be required for existing operators wishing to expand their operations. Financing for an operator focused exclusively on marine wildlife and natural viewing would likely face many challenges from lending institutions. One of the main challenges is the actual purchase of marine vessels – lending institutions typically show concern regarding mobile assets – such as a boat.

6.4.3.4 Government Policy

The Department of Fisheries and Oceans has recently brought in new regulations for touring vessels that are over 5 tonnes or 8.5 meters in lengths. Vessels over this size engaged in tourism activities will need to undergo upgrading and operators will be required to undertake specific training. Vessels using moorage or camping in a specific site for 14 days during a 6 month duration require a License of Occupation from BC Assets and Land Corporation. Otherwise no tenure is required – however, the British Columbia Assets and Lands Corporation is currently working on guidelines for whale watching charters.

6.4.3.5 Social and Community

Compatibility with existing recreation - Marine wildlife/natural history viewing would be compatible with other recreational uses.

Compatibility with other economic and community uses - These activities would be sensitive to changes in the visual quality of the surroundings.

Local economic development support/Community acceptance - All of the communities on the North Coast are looking to participate in new tourism activities. Therefore new ventures that could incorporate local tourism objectives would likely be supported.

Unless being developed by the local First Nations, permissions should be obtained from the First

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[45] Tourism Canada (February 1995), *Adventure Travel in Canada: An Overview of Product, Market and Business Potential.*

Nation in whose traditional territory the operation is being developed. Specific negotiations will be required if infrastructure is to be developed near a site of cultural or historic significance.

Local skills/Labour market – The local labour force could be drawn on to support the development of this product. Much of the labour force could come from workers already employed locally in the tourism sector or from those who have recently been displaced from the fishing industry. However it is likely that some skill upgrading would be required to ensure that the best tourism product is being delivered.

Table 6.4-3: Market, Economic and Socio-economic Assessment of Top Areas for Wildlife/Natural History: Marine Based

Market Criteria		Existing	Potential
Product utilization	Frequency in region	L	H
Link to other products		H	H
Competition	Regional	L	M
	Provincial	M	H
Demand Trends	North American / International	H	H
	Provincial	M	H
Physical Criteria			
Location and accessibility	• Accessibility will be primarily by boat.		Moderate
Existence of infrastructure	• Required infrastructure is in place but additional infrastructure could be added.		M
Economic Criteria			
Potential economic yield	• Marine wildlife/natural history viewing will typically be one day in duration with clients willing to pay for the experience.		L – H
Employment benefits	• Some seasonal – likely to support other tourism sector operators to diversify individuals working season.		M
Capital requirements	• Minimal capital investment required for the development of primary wildlife viewing activities.		M-H

Government Policy		
Tenure required	- DFO has new regulations for vessels over 8.5 meters. - No tenure required if there is no moorage or camping involved.	N
Social and Community		
Compatibility with existing recreation	- Generally compatible with other local recreation uses.	Y
Compatibility with other economic and community uses - site specific	- Sensitive to visual quality - Could impact sensitive First Nation traditional use areas	Y
Local economic development support/Community acceptance	- Support if developed through existing community processes associated with tourism development.	local operation – Y outside interests - N
Local skills/Labour market	- Local labour force has the skills for venture	M

6.5 Marine Cruising (Pocket Cruises)

6.5.1 Discussion

The marine cruising product ranges from large ocean going vessels carrying hundreds of tourists to smaller vessels carrying a dozen or more passengers. The focus of evaluation for this product is on regional pocket cruises, defined as smaller vessels associated with tours emphasizing wildlife and natural history, cultures and hotsprings, and linking the North Coast communities. This type of cruise is best marketed to travellers seeking the adventure cruise or yacht-like luxury cruise niche. There are also interesting long term opportunities for marine-land-river circuit tours.

At present the major draw for cruise ships to the North are glaciers, scenery and wildlife. British Columbia has the scenery and the wildlife but lacks the glaciers; hence the primary destination becomes Alaska. The Alaskan destination represents the fourth largest in the world, as shown in Table 6.5-1. The large cruise ship market in Alaska has grown, on average, thirteen percent annually since 1993[46].

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[46] *Campbell River Cruise Port Preliminary Assessment*, 1999

Table 6.5-1: Worldwide Cruise Industry by Cruise Area - 1999

Cruise Destination	1999 Capacity	Market Share
Caribbean/Eastern Mexico	4,011,000	42.7%
Mediterranean	1,472,000	15.7%
Asia/South Pacific/Australia	1,415,000	15.1%
Alaska	571,000	6.1%
Western Mexico	461,000	4.9%
Northern Europe	368,000	3.9%
Other[47]	1,095,000	11.7%
Total	9,393,000	100.0%

Source: *Cruise Industry News 1999 Annual*

The U.S. Passenger Service Act of 1884 prohibits non-US owned and crewed vessels from taking passengers from one US port and disembarking them at another US port. Foreign-flagged vessels must also visit a foreign port on a round-trip from a US port. All vessels currently participating in the Alaska cruise market are foreign (non-USA) owned and crewed, therefore they must either visit a Canadian port or be based out of a Canadian port. Many have chosen Vancouver as their southern terminus. Those leaving from Seattle can choose between Vancouver, Victoria or Prince Rupert as their foreign port. Prince Rupert's strategic location gives it several advantages over these other destinations. Each ship that includes Prince Rupert as a destination has the potential to provide a positive economic impact through three income streams: passenger spending on goods and services (including excursions), employment and payroll, and dock revenues.

Currently there are several cruises (large and pocket) that link Alaska to Prince Rupert and Vancouver. Many include a coastal "positioning" tour through BC, linking their winter ports in Vancouver, Seattle or other points south to their summer home ports. Some regularly travel the Inside Passage throughout the season, although this is often done at night to maximize the time passengers spend in Alaska. Several pocket ships have scheduled stops at a number of communities in BC including Alert Bay, Bella Bella and Prince Rupert. Opportunities can be made to attract them to other communities en route such as Kitkatla or Hartley Bay. Upon arrival in Alaska the cruise lines offer a number of itineraries, some of which include Prince Rupert.

A number of the Alaskan pocket cruise operators are looking at Prince Rupert as their southern terminus. Prince Rupert is looked on favourably as a true northern working community with the infrastructure, services and community support to accommodate and entertain tourists. The airport and Via rail terminal at Prince Rupert provide entry and departure points for the beginning or end of a trip. There are some disadvantages for an Alaska / Prince Rupert pocket cruise – specifically, the high cost of travel to access the region and the uncertainty of winds associated with Cape Fox. Strong winds north of Dundas Islands have occasionally affected the continuity of a cruise. One cruise line noted that of two of nine trips were unable to access Prince Rupert because of the winds.

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[47] Includes Bermuda, Panama Canal, South America, New England/Canada, Hawaii, Transatlantic, North American Rivers, Africa, India/Persia/Red Sea and World Cruises.

The existing pocket cruises are smaller vessels focused on wildlife/natural history tours principally to Khutzeymateen, Kitlope and Princess Royal Island. A ferry that connects Prince Rupert to Gingolx offers a similar experience to a short haul pocket cruise. The cruise product could be extended to include heritage[48], hotsprings, kayak mothership, and linked marine/land/rail circuits.

The success of a diverse regional pocket cruise industry is determined by the availability of infrastructure, community support, historical, archaeological or cultural exposition, and links to other opportunities such as air, rail, bus or river tours. Glacier viewing can be incorporated into a regional cruise through a land base tour of the glaciers outside of Stewart. In the fall, bear viewing outside of Hyder provides an added attraction.

A long term opportunity may be the development of a circuit tour that connects Prince Rupert and Alice Arm by pocket cruise vessel (and stops at Port Simpson and Gingolx), continues overland by vehicle to New Aiyansh (and the lava beds) and Terrace, and then takes a paddle wheeler back down the Skeena River. The land component could extend to Kitimat, with a subsequent cruise that stops at Hartley Bay and Kitkatla on the way back to Prince Rupert. Some opportunities may also exist in the North Coast for regional pocket cruises that use Prince Rupert as a primary port and links with communities such as Stewart and Kitimat.

PRODUCT: MARINE CRUISING	
Strengths	Sport fish, remoteness, scenery, high value features including hotsprings, wildlife (bears and whales), culture and heritage features, remote communities, and tourism infrastructure such as Port Edward Cannery and Pike Island; Atlin pier in Prince Rupert; growing demand; community support
Weaknesses	High precipitation, cost to access region, lack of suitable infrastructure in the communities (with the exception of Prince Rupert), lack of organized tourism related activities in the communities (cultural interpretation, shows), no glaciers (at marine interface as in Alaska); possible high startup costs; high tidal variances hazard for cruisers lacking local knowledge
Opportunities	Development infrastructure. Support products to pocket cruises. Cultural and historical exposition. Linkages to on-shore commercial businesses. Provide tours/experiences.
Threats	Land use uncertainties, forest harvesting (with visual and environmental concerns), full support of community lacking, competition from Alaskan pocket cruise industry

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[48] Heritage can include the interpretive, artifact and structural, both First Nations and non-First Nations.

6.5.2 Resource Assessment of Marine Cruising

Table 6.5-2: Opportunity Evaluation for Marine Cruising Based on Resource Criteria

Top Ranked Areas:

- All: The entire North Coast with the exception of Aristazabal (M), Banks (N) and the inland sections are suitable for the varied forms of regional pocket cruises.

Communities Most Able to Benefit from This Product:

- All: This would require the proper development of tourism and port infrastructure and cultural/historical exposition.

6.5.3 Market, Economic and Social Assessment of Marine Cruising

The resource evaluation has identified the entire North Coast, with the exception of Aristazabal Island (Area M), Banks Island (Area N) and the inland sections, are suitable for varied forms of regional pocket cruises. The following evaluates the concept of Marine Cruising (or pocket cruising) for the study area.

6.5.3.1 Market Assessment

Market and demand - The large cruise ships that ply the west coast of British Columbia every year en route to Alaska are a major international tourism draw, however they do not generally stop on the North Coast. In the long term, attracting some of the Alaskan cruise market to Prince Rupert may be feasible, with a large dock and the appropriate infrastructure in place. In the meantime, however, pocket cruises represent a promising short and medium term opportunity. Pocket cruise vessels are small, and generally used for tours with an educational or sightseeing focus. These cruises emphasize wildlife, history, cultures and hotsprings and are best marketed to travellers seeking the adventure cruise or yacht-like luxury cruise niche.

The Alaskan cruise industry has seen phenomenal growth in the past decade, with total revenue tripling between 1986 and 1999. Growth[49] in the industry is expected to continue at 5 percent annually through to 2003. A significant factor in accounting for this growth is the strong attraction of the scenery and experience of Alaska and the North Coast.

A 1995 survey carried out in seven major cities of North America shows that there is a significant market demand for a product that combines nature, adventure and culture within BC or Alberta.[50] For these cities alone, it was estimated that potential demand for such a product ranges between 1.6 to 3.2 million visitors. The segment of this market that would be drawn to a pocket-type cruise is that which is more well-traveled, and in a mid-to-high income bracket. [51] Those most likely to seek a pocket cruise are generally younger than travellers who frequents the major cruise ships, and generally seek new and interesting ports-of-call and experiences.

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[49] Intervistas Consulting Inc. *1999 Vancouver-Alaska Cruise Passenger Study.*

[50] Undertaken by Tourism British Columbia, Alberta Tourism, Parks Canada and Industry Science and Technology in 1995.

Another government survey carried out by telephone in California, Washington and British Columbia in 1990 showed that more than half the respondents have an interest in small ship cruising in BC. Based on the survey results in 1990, it was estimated at the time that there was a market of 4.9 million passengers for such an experience and a high potential for small ship cruising in BC. This number has likely increased during the past decade, as British Columbia's international profile grows. These travellers are willing to pay a premium for the kind of wilderness and learning experience that can be provided by a pocket cruise. Some key market characteristics identified in this survey are as follows.

- Over 90 percent of the market were from California and Washington, compared with 9 percent from BC. This points to the strong international appeal of cruise ship tours.
- The itinerary and destination are more important than the ship features, although comfort and fine dining are important ship features.
- The greatest interest lies in observing scenery and wildlife, participating in outdoor activities and seeing many ports-of-call.

An aging of the Baby Boom generation coupled with a corresponding increase in disposable income will continue to fuel the growing market for pocket cruises, which mixes the elements of wilderness experience, learning, low stress activities, and comfort.

Several studies have also identified the potential to offer short duration (3-4) day cruises through BC waters in the pre and post-Alaska cruise season[52]. One large passenger cruise ship is testing this concept this year in the Southern Georgia Strait region.

Competition - Presently, there are two pocket cruises offered locally on the North Coast. One travels from Kitimat to Kitlope and Princess Royal Island; the other goes from Prince Rupert to Khutzeymateen. They are focused on wildlife/natural history. A total of 24 ships representing 11 cruise lines made 379 trips to/from Alaska during the five month 1999 cruise season[53]. Three of these cruise lines accounted for over 88 percent of the market. There currently over five small pocket cruises travelling to Alaska, some of whom stop at Prince Rupert.

6.5.3.2 Physical Assessment

Location and accessibility - For travellers to access pocket cruises based on the North Coast, they must either fly, take the ferry or rail, or drive a long distance to reach Prince Rupert. Access to and from Prince Rupert and the North Coast is therefore impeded by high transportation costs, and a long geographic distance from the Southwest hub of the province.

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[51] Klugherze & Associates in association with J. Paul & Associates (July 1997). *Cruse-Rail Feasibility Analysis. Phase One: Preliminary Market and Product Assessment.* Prepared for the Prince Rupert Port Corporation.

[52] Campbell River Cruise Port Preliminary Assessment, 1999; Northwest Cruise Product Preliminary Assessment, 1998; Cruise/Rail Feasibility Analysis Phase One: Preliminary Product and Market Assessment, 1997.

[53] *Campbell River Cruise Port Preliminary Assessment*, 1999

Infrastructure requirements - Small ship cruise itineraries typically include one port-of-call each day. This destination is often used as an overnight stop for the comfort of passengers, thus moorage is important. Deepwater ports and extensive wharves are not required for small vessels. Since fewer passengers disembark from small ships than large ones at any one time, there is less stress on the community infrastructure. Ships also have the option of anchoring out of port and ferrying passengers if there are no berthing facilities. Many pocket cruise ships transport passengers to shore using zodiacs or other small craft, or have bow ramps to allow passengers to disembark onto beaches.

The new Atlin pier in Prince Rupert has been constructed to accommodate pocket cruise vessels, and the Prince Rupert Port Authority is actively working to attract more of this type of traffic. The Atlin pier presently offers moorage. As the Prince Rupert Port Authority develops the adjacent lands, a substantial range of services will also become available. The other communities of the North Coast generally have a wharf or dock, with various degrees of amenities, however in most cases they could accommodate only very small craft. There are no dock facilities at many of the land-based sites that could attract pocket cruises, such as the hot springs in the Bishop Bay area. Thus, for several of the smaller communities and at specific sites of interest, special ramps or lightering would be required.

6.5.3.3 Economic

Potential economic yield - Clients are willing to pay significant amounts for adventures associated with multi-day ventures.

Employment - A frequent criticism of the Alaskan cruise ship industry is that very little economic activity is generated locally, as all the vessels are foreign owned and crewed. Supplies are purchased in Vancouver or outside of their area of operation. One of the greatest appeals of a locally-based pocket cruise industry is the potential for direct, local economic benefits.

Cruise operations generate employment on board, at the point where the ship takes on supplies, and possibly at the ports-of-call. Depending on the size of the operation, a locally-based pocket cruise would generate both direct and indirect employment on the North Coast. Direct employment would be that related to the operation – ship crew, hospitality workers, and guides or technical specialists. Indirect employment and earnings would be generated in obtaining supplies and services for the ship, as well as maintenance, repairs, etc. Employment would be largely during the summer months.

Capital requirements - The required initial investment for a pocket cruise vessel varies according to ship size and features. Compared to other tourism products, Capital requirements are relatively high. There would also be operating and maintenance costs. Capital costs would also be required for the various land-based amenities such as docks or berthing facilities.

6.5.3.4 Government Policy

No tenure is required if a ship is only anchoring, and no one is going ashore. However, if a pocket cruise itinerary makes frequent use of a specific area of land as part of its tour (i.e., passengers are going ashore) then a License of Occupation from BC Assets and Land Corporation will be required. It should be noted that no tenure would be required for "incidental use", specifically low impact use, occurring less than 14 days over a six-month period.

The Department of Fishing and Oceans has recently brought in new regulations for touring vessels that are over 5 tonnes or 8.5 meters in lengths. Existing vessels of this size or larger engaged in tourism activities may need to undergo upgrading and operators may be required to undertake specific training.

6.5.3.5 Social and Community

Compatibility with existing recreation - Depending on proximity, there could be occasional conflict with other recreational boaters seeking solitude and wilderness experiences, such as kayakers. Other potential conflicts could arise if two or more pocket cruises were travelling frequently to the same sites. Given the vastness of the North Coast, and the large number of attractions, the possibility of conflict with other recreationists is small.

Compatibility with other economic and community uses - Pocket cruises are unlikely to conflict with other community uses. In Prince Rupert, where the local Port Authority is working to increase the number of pocket cruises into the community, this product is a good fit.

Visual quality is important for pocket cruises. Forest practices carried out within view of the water or near ports-of-call should be sensitive to sight lines or the potential for this product could be negatively affected. Pocket cruise operators also need to be sensitive to important First Nation traditional use or heritage sites when planning their itineraries.

Local Economic Development Support / Community Support - The development of a pocket cruise industry in Prince Rupert has the community's strong support. Small pocket cruise operations out of the other communities are likely to be acceptable, particularly if they generate local employment. However an operator planning a new business would need to obtain community acceptance and support as a prelude to establishing the infrastructure and services required for a pocket cruise operation.

Unless being developed by the local First Nations, permissions should be obtained from the First Nation in whose traditional territory the operation is being developed. Specific negotiations will be required if infrastructure is to be developed near a site of cultural or historic significance.

Local skills/Labour market - Many North Coast residents, in particular those with a First Nations heritage, have valuable and unparalleled knowledge about the features, culture, wildlife and history of the North Coast. These skills give them an advantage in employment as guides or interpreters. To obtain employment in other occupations related to pocket cruises, further training related to or required by the visitor services industry may be required. These are available at Northwest Community College in Prince Rupert or outside the North Coast.

Table 6.5-3: Market, Economic and Socio-economic Assessment of Top Areas for: Marine Cruising

Market Criteria		Existing	Potential
Product utilization in area		L	H
Link to other products		M	H
Competition	Regional	L	H

	Provincial	L	M
Demand trends	North American / International	H	H
	Provincial	M	H
Physical Criteria			
Location and accessibility	• Expensive to access from elsewhere in BC		Moderate
Infrastructure requirements	• Atlin pier in Prince Rupert • Docks or wharves in other communities in North Coast		Good in PR Moderate elsewhere
Economic Criteria			
Potential economic yield	• Multi-day trips and clients willing to pay for experience.		H
Employment benefits	• Good, if operation is locally based limited season.		M
Capital requirements	• Start-up requirements are moderate to high.		M – H
Government Policy			
Tenure required	• Not necessary if just anchoring • Tenure may be required if pocket cruise frequently utilizes a specific area of land (e.g., hotsprings) • New DFO regulations for ships 8.5 meters or larger		maybe
Social and Community			
Compatibility with existing recreation	• Yes, with possibility of conflict with other small craft in wilderness setting		Y
Compatibility with other economic and community uses	• In most cases, yes. Would need to be explored with some of the First Nations communities.		Y
Local economic development support/Community	• Yes, but local infrastructure may also be required as prelude to establishing pocket cruise.		Y

acceptance		
Local skills/Labour market	• Local expertise lacking, except as guide/interpreter. Good opportunity for local employment.	L - M

6.6 Destination Lodge Resorts

6.6.1 Discussion

Existing destination lodges and resorts are primarily focused on catering to the sport fishing market. Sport fishing lodges are popular destinations on the west coast. In addition to fishing, many of these lodges offer a wide range of recreation activities and services to diversify their market niches. The majority of lodges are non-moving vessels on the water, a few are on land and there are several large vessels that move to different locations. The existing lodges attract clients from the USA and Europe who expect a remote location with full services. Clients generally stay at a destination lodged 5 or more days.

Existing Locations: The lodges are mainly located in sheltered bays and coves close to the prime salt water fishing locations. Concentrations of lodges can be found surrounding Caamano Sound in the south and at the mouth of Portland Inlet in the north.

Existing opportunities: The predominant focus for lodges on the North Coast is sport fishing. Alternative activities are offered to provide guests with a greater range of choices, including wildlife watching, kayaking, mountain biking, freshwater fishing, hiking and exploring. The importance of these alternative activities to the lodges is expected to increase as the quality and quantity of the fish resource (primarily salmon) deteriorate and as federal regulations restrict access to the resource. Facilities offering a broad range of activities have a greater potential to attract couples or family units where only one member of the guest party has a goal of fishing.

Future Opportunities: In addition to developing new lodge facilities in diverse locations there are a number of opportunities for existing lodge operations. These include: facilities with increased diversification of activities, full service spas in a remote "natural" setting and lodge to lodge tours by boat or plane – packaging a group of related but complimentary facilities.

PRODUCT: DESTINATION LODGE RESORTS	
Strengths	Sport fish, remoteness, scenery, high value features and wildlife (First Nation Culture, bears and whales), high visibility to Alaskan cruise market.
Weaknesses	High precipitation, poor scheduling of flights and cost to access region, competition among existing sport-fishing lodges, high start up and operating costs, government regulatory obstacles and possible lack of community support.
Opportunities	Diversification into other types of activities such as whale and wildlife watching, freshwater fishing, hiking, exploring, etc.; linkages to air and marine tours; soft adventure market niche seeking world class wilderness experience.

Threats	Land use uncertainties, increased use affecting "remote" experience, forest harvesting (with visual and environmental concerns), decline of the Pacific salmon stock.

6.6.2 Resource Assessment of Destination Lodge

Table 6.6-1: Opportunity Evaluation for Destination Lodge Based on Resource Criteria

Top Ranked Areas:

- Areas A, C, G, and K meet most of the criteria identified as important for this product.

Communities Most Able to Benefit from This Product:

- All the communities are situated close or have special relationships with the areas identified as having high capability.

Product Links:

- Wildlife watching, kayaking, mountain biking, freshwater fishing, hiking and exploring.

6.6.3 Market, Economic and Social Assessment of Destination Lodge

6.6.3.1 Market Assessment

Market and demand - Destination lodge resorts bring visitors close to nature, while offering a high degree of service and comfort. They are usually located on or close to the coast, or in an alpine setting. Historically, the main appeal of high-end destination lodges on the West Coast has been sport fishing, which draws an international clientele. There is now a trend towards diversification, with destination lodges offering a range of other nature-based activities. For example:

- The King Pacific Lodge, located in Barnard Harbour on Princess Royal Island, offers salmon and halibut fishing, an interpretive program, hiking, mountain bike tours, nature cruises and wildlife photography trips;
- Ultima Thule Lodge, an alpine lodge in the Wrangell St. Elias National Park of Alaska, offers wildlife viewing, fly fishing, hiking, river rafting and kayaking, cross-country and powder skiing, canoeing, mountain trekking and climbing.

A broad array of activities appeals to fishers and non-fishers, thereby widening the market. A diverse activity range can also extend the operating season.

Destination lodges appeal to the "high-end" of the soft adventure and ecotourism market. They generally attract more affluent, seasoned travellers willing to pay for a unique outdoor experience combined with comfortable accommodation and high quality food and service. Soft adventure activities include wildlife and nature observation, heli-hiking and walking. Ecotourism activities include hiking, boating, freshwater fishing, cycling, kayaking and visiting historic or First Nation cultural sites.

Research has shown that a significant component of the ecotourism market is attracted to smaller, intimate, adventure-type accommodations, including cabins and lodges[54]. In particular, experienced ecotourists cite a strong preference for this type of accommodation.

Table 6.6-2: Accommodation Preferences of Ecotourists Interested in Visiting BC[55]

Accommodation Preferences	% General Ecotourists Interested in Visiting BC	% Experienced Ecotourists
Cabin	18	66
Lodge/Inn	16	60
Tent	22	58
Bed and Breakfast	6	55
Hotel/motel	55	41
RV	9	8

Research has also shown that tourists and recreationists who engage in physically challenging activities or wildlife viewing most frequently cite a preference for lodge/inn accommodations. Visitors at a destination lodge generally stay a minimum of one week. The more remote the lodge the longer the stay.

High-end wilderness lodges are much in demand, especially among international clientele[56]. Currently, a small portion of the global market visits British Columbia. The province's market percent has the potential to grow in the future, as tourists become more aware of the amenities British Columbia has to offer.

One key to drawing more visitors to destination lodges in BC and on the North Coast is to offer extremely high quality accommodation, food and services - on a par with that offered in other countries more customarily known for their high-end lodge destinations. Industry experts point out that visitors in this spectrum of the market enjoy authentic, and often physically challenging, outdoor experiences, but generally for short periods of time. At the end of each day, they prefer to retreat to a comfortable, or even luxurious, setting. These travellers are also seeking a choice of activities, and the opportunity to do or learn something new.

With the decline of fishing opportunities on the Pacific coast, west coast destination resorts need to offer new attractions -- such as spas, holistic retreats, air tours or educational experiences -- and offer more to the discerning visitor. One example of this is the recent announcement that Peregrine Lodge on the Queen Charlotte Islands is teaming with Whistler Resort by marketing a fishing/golf package.

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[54] Pamela Wight and Associates. *Catalogue of Exemplary Practices in Adventure Travel and Ecotourism*, March 1999. Prepared on behalf of the Canadian Tourism Commission.

[55] Ibid.

[56] Interview with tourism broker, February 2000.

Competition - There are over 50 destination lodges on the West Coast of BC, eight of which can be found in the North Coast[57]. There are also several in Alaska. Most of these feature sport fishing, primarily for salmon. With the decline of the west coast salmon stock, the competition between BC coastal resorts – and with Alaska – is fairly stiff.

6.6.3.2 Physical Assessment

Location and accessibility - Optimal sites for destination lodges within the top geographic areas are all accessible by seaplane and boat.

Infrastructure requirements - In addition to the main accommodation building(s), a destination lodge requires moorage facilities for seaplanes or vessels, and other support structures. Sewage and utilities would also need to be installed. It may be necessary to construct trails to support ancillary activities such as hiking or mountain biking.

6.6.3.3 Economic Assessment

Potential economic yield - Each destination lodge has the potential to host multi-day visits with clients who are willing to spend a relatively large amount for each day's stay. Even if entities outside the district own the property, the region could see significant spin-off through offering supplies, services, shuttling and excursions for destination lodges.

Employment - A destination lodge would create seasonal employment in a number of areas in the hospitality sector, including:

- reservations, booking and front office;
- food service;
- housekeeping;
- maintenance and repairs;
- transportation (by plane or boat);
- interpretive or tour guides.

Most of these positions, ideally, should accrue to residents of the North Coast. *In Catalogue of Exemplary Practices in Adventure Travel and Ecotourism*, a survey of the most successful travel operators in Canada shows that employing local people is a key element of "best practices" in this industry.[58]

Capital requirements - A high-end destination lodge designed to compete on the world market has very high start up and operating costs, often in the millions of dollars.

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[57] As indicated by research and survey results for this project

[58] Pamela Wight and Associates. *Catalogue of Exemplary Practices in Adventure Travel and Ecotourism*, March 1999. Prepared on behalf of the Canadian Tourism Commission.

6.6.3.4 Government Policy

The proponent of a new destination resort would be required to apply for a Commercial Recreation Intensive Use Site lease from BC Assets and Land Corporation. The lease would require a legal survey, adding to the high start-up costs.

6.6.3.5 Social and Community

Compatibility with existing recreation - A remote destination lodge could present some conflict with other recreational uses. A new fishing resort at the south end of the Portland Canal or on Dundas Island – both located near significant salmon migration routes – could increase the competition among sports fishers in the area, adding stress to the sock. Depending on its location, the lodge may also be visible to pocket cruisers, boaters and kayakers enjoying a wilderness experience.

Compatibility with other economic and community uses - Visual quality is critical for the destination lodge experience. Therefore, forest practices carried out within view a lodge must be sensitive to the viewshed. Research for this project has discovered that there has been some friction between the owners of the King Pacific Lodge and forest industry interests in this regard.

A lodge may also create some conflict associated with First Nation traditional harvesting areas and cultural sites, however these issues could be mitigated through good communication.

Local Economic Development Support/Community Support - A destination lodge that hires locals, and injects money into the local economy, is likely to obtain community support, assuming it is not crowding out other similar types of operations and that benefits accrue back to the community through employment and increased economic activity.

Unless being developed by the local First Nations, permissions should be obtained from the First Nation in whose traditional territory the facility is being developed. Specific negotiations will be required is a facility is to be developed near a site of cultural or historic significance.

Local skills/Labour market - Many of the communities on the North Coast have residents with some of the skills required for employment at a destination lodge. However some skills are not present and locals may require training in the various aspects of this business. In some instances this training is available in Prince Rupert, in others trainers can be transported to the communities. Interested local residents may need to travel further afield (Prince George, Vancouver) to gain desired specialized skills.

Table 6.6-3: Market, Economic and Social Assessment of Top Areas for Destination Lodge

Market Criteria		Existing	Potential
Product utilization in area		M	H
Link to other products		M	H
Competition	Regional	H	H
	Provincial	H	H
Demand trends	North American /	H	H

	International		
	Provincial	M	H
Physical Criteria			
Accessibility	• All accessible by boat or seaplane		moderate – good
Infrastructure Requirements	• Sites presently undeveloped. Considerable infrastructure required.		L
Economic Criteria	•		
Potential Economic Yield	• Multi-day stay and high client spending		H
Employment benefits	• Several seasonal jobs.		H
Capital requirements	• High start up and operating costs.		H
Government Policy	•		
Tenure required	• Require a Commercial Recreation Intensive Use Site Lease.		Y
Social and Community	•		
Compatibility with existing recreation	• Possible conflict with sports fishers – low to moderate • Impact on boaters & kayakers - low		Y
Compatibility with other economic and community uses - site specific	• Sensitive to visual impacts of forest harvesting • Could impact traditional use areas – requires consultation with local First Nations		Y
Local economic development support/Community acceptance	• Generally fits with North Coast tourism development initiatives, but must ensure local employment		Y
Local skills/Labour market	• Local training would be required.		M

6.7 Heritage / Culture

6.7.1 Discussion

The North Coast is rich in opportunities associated with the exposition and interpretation of its special cultural and heritage. Heritage and cultural viewing are low impact, non-consumptive activities often associated with ecotourism. The two sub-products in the region are the First Nations and Post-Contact (non-aboriginal).

First Nations:

The abundance of marine and land life has brought people to the North Coast for thousands of years. The region is the ancestral home of two major tribal groups:

- Tsimshian (which in the language means "going into the river of the mists" - the Skeena) -- a people that occupied 150 kilometers of the river and approximately 400 kilometers of the British Columbian coastline. In the study area, the Tsimshian communities are Lax Kw'alaams (Port Simpson), Metlakatla, Kitkatla and Git'k'a'ta (Hartley Bay).
- Nisga'a, whose lands are concentrated around the Nass River. The Nisga'a communities include Gingolx (Kincolith) and Laxgalts'ap (Greenville). Gingolx is the westernmost Nisga'a village and at present is reached only by water while Laxgalts'ap is located further up the Nass River and is accessible by road from the Yellowhead Highway.

Each community has a unique history and story of its own (see Chapter 5) and their heritage and kinship to the land is clearly evident throughout the region. Both First Nations have a rich and colorful heritage, frequently depicted in their traditional art. Evidence of traditional art along the shoreline remains with the petroglyphs and pictographs. The best known petroglyphs can be viewed along the Skeena River and Observatory Inlet. Other physical evidence of these vibrant cultures can be viewed through:

- stone weirs along rivers (for salmon);
- midden sites (shellfish castings), with hundreds of midden sites evident along the shore;
- archaeological discoveries such as a cedar basket placing habitation to over 5,000 years ago, and an ancient village site at Pike Island (outside Metlakatla); and,
- culturally modified trees (utilized for their bark and wood).

Stories, dances and songs deliver a living, vibrant depiction of the First Nations' culture and heritage, both from within and outside the communities. Oral records of past events, relationships, and boundaries are told and retold, stored in the collective consciousness of the community. Some are shared in a group or community setting; others are for family members only. Many are tested and witnessed in the feasts. Each of the First Nations communities have singers and dancers, some of whom have performed at events throughout the province.

Much of the "ancient" cultural infrastructure, such as traditional longhouses, have long since disappeared – victims to the harsh climate and invasive vegetation. In some communities, longhouses are being revived to provide a venue for the stories and to assist in forging cultural linkages between the youth and elders. They can also be used to enhance a tourist's experience in a community. A longhouse in Git'k'a'ta, an old village adjacent to Hartley Bay is used for cultural exposition.

The museum in Prince Rupert provides an interesting and accurate depiction of the regions First Nation culture through a combination of displays and interpretive programs.

Post Contact (Non-Aboriginal)

Over two hundred years ago, non-natives began to appear, trade and settle on the North Coast. Europeans and Asians began to extensively populate the area in the late 1800s, beginning first with trade for furs, then moving into fisheries, forestry and mining. The post-contact history of the region, and impact non-natives have had on the land, can be seen in several ways:

- Canneries: The last intact historical cannery on the west coast of the continent is the North Pacific Cannery located in Port Edward. The working conditions and living quarters of First Nations, Asian and European are evident. This heritage structure is a destination for many of the travelers to the north. Vestiges of other old canneries can be seen along the coast.
- Abandoned town sites: Kitsault and Alice Arm are abandoned mining towns, one from the turn of the century and the other from the early 1980s. One is antique and one is modern. Both are suited for unique tourism experiences.
- Abandoned mine sites: Mining has played a prominent role in the region with examples including the Anyox smelter site and the cable cars east of the Portland Cannel at Marmot River
- Lighthouses can be found along the coast, some of which can be easily accessed.
- Many fortifications and structures constructed during the Second World War for defense are evident.
- There are many old structures found hidden along the coastline including cabins, shipwrecks, and dams. Old forts (such as Fort Simpson) are no longer in evidence.

PRODUCT: HERITAGE/CULTURE	
Strengths	Remoteness, scenery, limited "development", high quality features, highly marketable. High capacity for expansion. Existing labour force.
Weaknesses	Although each culture is unique, repeatability of similar product along BC coast. Access. Support facilities. Extended periods of wet weather.
Opportunities	Educational/interpretive tours, link to other products like overland routes for hiking/canoeing/ kayaking/marine cruise. Infrastructure development.
Threats	Increased use affecting "remote" experience, forest harvesting. Loss of culture through aging elders and youth moving away for education/employment

6.7.2 Resource Assessment of Heritage / Culture

Table 6.7-1: Opportunity Evaluation for Heritage / Culture Based on Resource Criteria

Top Ranked Areas:

- The areas from the table above include communities where First Nations culture exposition can be shared and where vestiges of antiquity can be readily seen in the artifacts, structures, landscape and tree modifications.

Communities Most Able to Benefit from This Product:

- All the communities can benefit from this product by displaying and relating the culture and heritage that is a large part of these communities. First Nation's culture is a focal point in many international travelers' agendas.

6.7.3 Market, Economic and Social Assessment of Heritage / Culture

Given that First Nations culture and heritage represents the best tourism potential, only the First Nation culture and heritage tourism product is explored in the market, economic and social assessment section.

6.7.3.1 Market Assessment

A survey done on First Nation tourism in Canada identified BC as having the best-perceived aboriginal cultural product to offer. On the North Coast, First Nations make up approximately 25-35 percent of the local population and the region's First Nation communities have maintained a strong cultural identify. Language, philosophy, religion, customs, ceremonies, traditions, arts, crafts, dance, music, sites, artifacts, and values are all reflections of culture which can be an important component of the culture based tourism product. On the North Coast, local First Nation communities have either developed a specific cultural tourism opportunity already or are in the process of exploring specific cultural products for future development.

First Nation's culture as part of the tourism experience is popular among visitors to BC, particularly among European visitors. Table 6.7-2 outlines the visitor participation rates in First Nations cultural sites identified in a 1996 survey of BC tourists.

Table 6.7-2: BC 1996 Visitor Survey: Cultural Visit

	Number of Total Visitors	Participation in Visit to First Nations Cultural Site
Long Haul US (California/Hawaii, Mountain States, Central & Eastern States, and Mexico)	1,958,000	34%
Regional US (Washington, Oregon, Idaho, Montana, Alaska)	3,615,000	20%
Regional Canada (Alberta, Manitoba, Saskatchewan, NWT, Yukon)	3,706,000	18%
Long Haul Canada (Rest of Canada)	1,196,000	25%
Europe	535,000	43%

Asia/Pacific	828,000	31%

Source: *Tourism British Columbia*

Competition - On the North Coast there are a few emerging cultural activities hosted by local First Nations. The most developed cultural tourism activity is in association with the Pike Island guided tours (Metlakatla) and the museum in Prince Rupert. Within BC First Nation cultural tourism has grown tremendously over the past five years with numerous venues and events now offered to visitors. Several Vancouver Island First Nations have developed cultural products that can be considered similar to those that could be offered on the North Coast.

6.7.3.2 Physical criteria

Location and accessibility -

- Currently the majority of the visitors coming into the North Coast arrive in Prince Rupert. Metlakatla, within easy access to Prince Rupert, has benefited from the proximity to mass of visitors, allowing the successful development of the cultural tourism/interpretation site at Pike Island.
- Hartley Bay, 120 kilometres south of Prince Rupert, has begun to develop longhouses in close proximity to the community and eventually plans to develop a feast house in the town to host cultural events. Travel to Hartley Bay is by boat or float plane.
- Kitkatla, located on Dolphin Island 60 kilometres southwest of Prince Rupert, is accessible by boat or float plane. Kitkatla is exploring the development of a facility where local carvers can work and display their products. In the longer term the community is exploring the development of a heritage and cultural centre.
- Port Simpson, located 55 kilometres north of Prince Rupert, is currently accessible by boat or float plane. It is likely that Port Simpson will be connected by road to Prince Rupert within the next two to four years. Once this occurs it is possible that the Alaskan Ferry may stop here as well. The road and ferry would significantly change the accessibility of the community. The community has longer term plans to build a fifteen-unit hotel connected to a large cultural centre. The cultural centre would host local heritage and cultural activities and serve as home for local artisan products.
- Gingolx, located at the mouth of the Nass River, is currently accessible by boat or float plane. There are plans to connect it by road to Laxgalts'ap. Gingolx is currently completing a tourism strategy that may identify specific cultural products the community might develop.

Given the various degrees of accessibility to the First Nation communities on the North Coast, the communities will have to consider very carefully their target market when developing cultural tourism products (ie., pocket cruises, ferry traffic, highway traffic, package tours, day tours, etc.).

Infrastructure requirements - Infrastructure requirements vary depending on the venue that is required to display or host the cultural event. In the case of the Pike Island interpretive trail, considerable investment was need for the development of trail and wharf infrastructure. In Hartley Bay considerable community planning and effort has gone into the construction of the two longhouses.

6.7.3.3 Economic

Potential economic yield - Cultural tourism activities would typically be a part day in duration. Visitors would be willing to pay for the various events and opportunities.

Employment - Heritage and cultural tourism activities will create varying amounts of employment, depending on what products are developed and what the objectives of the product will be for the specific community involved. It is possible to create numerous jobs for a short period of time from a specific event or small number of jobs on a continuous basis.

Capital requirements - Typically the development of heritage and cultural site suitable for display or interpretation involve a significant capital investment. The development of the trail and wharf for the Pike Island interpretation trail required several hundred thousand dollars to complete. However, since it is possible that many culture/heritage developments may serve more than one function, it is possible that the investment could be justified for more than just tourism purposes. For example, at Hartley Bay the longhouses are being developed to expose youth to their traditional activities. This may provide for broad based community participation in the development of specific elements for cultural and heritage tourism.

In some cases little capital may be required to produce a cultural exposition or display a heritage site. For instance a dance troupe or art vendor may only require an existing venue. Capital improvements may not be required or desirable at heritage sites suitable for interpretation such as an abandoned village site or petroglyph.

6.7.3.4 Government Policy

No licensing required from the provincial or federal government if development occurs within the communities. A License of Occupation, issued by the BC Assets and Land Corporation would be required if the proponent(s) wants to create or maintain trails on Crown land.

6.7.3.5 Social and Community

Compatibility with existing recreation - Activities would be compatible with other tourism and recreation activities.

Compatibility with other economic and community uses - For the most part, First Nations cultural and heritage tourism will be developed directly by First Nations communities, using external support were required. In this scenario, compatibility would be high. The support of local First Nations would be required before any venture not initiated by the local First Nation could proceed. Work will need to continue to ensure protection of culturally significant areas and features from impacts from resource use and development.

Local economic development support/Community acceptance - The concept generally fits within the economic development goals of the communities in the region if the opportunity can support local employment, either by creating local direct employment or supporting existing tourism activities (i.e., accommodation, etc.). Development of this product would likely assist existing tourism ventures to diversify the package they offer their guests.

Local skills/Labour market - For products and services within cultural and heritage tourism the local First Nations communities have an experienced labour force. Further training around the marketing and hosting ends of the potential business venture might be required within the specific communities.

Table 6.7-3: Market and Socio-economic Assessment of Culture / Heritage Tourism

Market Criteria		Existing	Potential
Product utilization	Frequency in region	L	H
Link to other products		L	H
Competition	Regional	L	H
	Provincial	M	H
Demand trends	North American / International	H	H
	Provincial	M	H
Physical criteria			
Location and accessibility	• Variable – depending on community.		Poor - moderate
Infrastructure requirements	• Variable - depending on community. Transportation infrastructure will be a key element.		L – M
Economic			
Potential economic yield	• Variable – depending on product.		L – H
Employment benefits	• Variable – depending on product.		L – H
Capital requirements	• Variable – potentially moderate to high.		M – H
Government Policy			
Tenure required	• License of Occupation required if facilities or trails are created on Crown land.		Reserve lands – N Crown lands - Y
Social and Community			
Compatibility with existing recreation	• No perceived conflicts with existing recreation. Although there could be site specific issues.		H
Compatibility with other economic and community uses	• Products would be developed by First Nation communities and would fit with their goals and objectives.		H

Local economic development support/Community acceptance	• Would fit with local community goals and objectives.	H
Local skills/Labour market	• Would possess the expertise around the culture products. Labour force upgrading on business development, hosting, and other tourism skills would require upgrading in some communities.	H

6.8 Hiking

6.8.1 Discussion

Hiking in the North Coast is primarily associated with trails and logging roads. The dense undergrowth of the coastal forest makes it unsuitable for off-trail or off-road hiking, except in the alpine. The North Coast has opportunities for this activity adjacent to communities, along high quality coastal features, and in sections that link lakes/inlets/rivers/features.

Potential trails that offer a similar experience to the West Coast trail on Vancouver Island include opportunities linking Port Simpson to Metlakatla along the shoreline with its numerous beaches and vistas. The peninsula on the west side of Porcher Island also offers extensive beach to beach hiking. These trails may also have cultural interpretive opportunities. A multi-day coast trail has been proposed between Georgie Bay and Port Simpson.

There are a number of areas where short hikes have high potential. This includes hikes to the west shores and beaches of Digby Island, between Oona River and the outer coast on Porcher Island, hikes in and around all the communities, and on the smaller islands such as the lighthouse at Lucy Island.

There are opportunities combining hiking with kayaking or canoeing as portages linking the ocean, rivers and lakes. Opportunities include linking Ecstall River (and the Skeena River) along a historical route to Douglas Channel or from Lowe Inlet to Douglas Channel. Princess Royal Island has chains of lakes that can be linked by trails. Hiking opportunities can be developed through the south section of Campania Island with its open terrain and extensive rock formations. Trails can link different inlets such as Observatory Inlet to the Portland Canal and Grenville to Principe Channels.

PRODUCT: HIKING	
Strengths	Scenery, high value recreation features, logging roads. Coastal hikes with outstanding beaches.
Weaknesses	Weather, few existing trails, lack of brand recognition.
Opportunities	Development of regionally significant coastal hikes, linkages with other products such as kayaking, lodges, and hut-to-hut.

Threats	Competition from elsewhere in BC, Canada, lack of public sector funding to develop and maintain trails.

6.8.2 Resource Assessment of Hiking

Table 6.8-1: Opportunity Evaluation for Hiking Based on Resource Criteria

Top Ranked Areas:

- Area C:Zayas and Dundas Islands
- Area D:Prince Rupert/Metlakatla/Pt. Simpson
- Area G:Porcher and Stephens Islands

These identified areas provide the greatest opportunities for hiking. Their proximity to communities, cultural/historical associations and high value features such as beaches, coupled with an on ground feeling of remoteness, is unique.

- Areas B, H, K, and P are associated with remoteness, long distance and links to other products (such as kayaking). Opportunities associated with developing a hiking product in these areas could be considered in the long term.
- Area J (containing extensive rock formations found on Campania Island) and Areas O, H and I (containing a potential ridge hiking route) are remote and there are no existing trails.

Communities Most Able to Benefit from This Product:

- Prince Rupert, Port Simpson, Metlakatla, Kitkatla, and Oona River are close to the highest opportunities for this product. They are best able to maintain the trails associated with this product.

6.8.3 Market, Economic and Social Assessment of Hiking

6.8.3.1 Market Assessment

Demand - Hiking has been identified as one of the seven main trip activities participated in by Canadian travellers, with 32 percent participating in hiking or walking on their last long overnight pleasure trip -- this represents a market of some 5.2 million Canadian travellers.

The US hiking market has been estimated at some 48 million participants, and over 15 million Americans went on backpacking trips in 1995. There was a 93 percent increase in the number of hikers in the US from 1982 to 1995 and a 73 percent increase in backpacking during the same period. The demand for both hiking and backpacking activities will continue to see strong growth in North America. European travellers, most notably the Germans, also have a strong interest in hiking.

Hikers tend to select a destination based on its scenery, vegetation, topography and geology, and other interesting features such as history. Men participate in hiking slightly more than women and over half the participants (56 percent) are between 25 and 44 years of age. Adventure travel companies are offering more hiking and trekking packages each year world wide, and three to four day treks comprise a significant share of western Canadian itinerary packages sold by European tour wholesalers.

Table 6.8-2 outlines the number of participants that participated in hiking on some portion of their visit to BC in 1996.

Table 6.8-2: BC 1996 Visitor Survey: Hiking and Backpacking Participation

	Number of Total Visitors	Participation in Hiking or Backpacking Activities
Long Haul US (California/Hawaii, Mountain States, Central & Eastern States, and Mexico)	1,958,000	19%
Regional US (Washington, Oregon, Idaho, Montana, Alaska)	3,615,000	20%
Regional Canada (Alberta, Manitoba, Saskatchewan, NWT, Yukon)	3,706,000	27%
Long Haul Canada (Rest of Canada)	1,196,000	20%
Europe	535,000	26%
Asia/Pacific	828,000	24%[59]

Source: *Tourism British Columbia*

Competition - From a provincial perspective, there is a good deal of competition in the hiking sector. There are countless short day hike trails throughout the province, as well as an array of longer, multi-day treks like the West Coast Trail and Alexander Mackenzie Heritage Trail. However, several of the more popular hiking trails are already at capacity, as evidenced by the growing number of hikers who are turned away from the West Coast Trail every year. This suggests that there is a pent-up demand for new and relatively unexplored hiking routes that offer a special outdoor experience.

In 1999 there were an estimated 150 companies offering hiking experiences in BC, 25 of these located in Northern Tourism Region. Hiking experiences are being marketed throughout Canada with the objective of capturing a share of the expanding North American market. For example, in Atlantic Canada coastal hiking experiences similar to BC are being aggressively marketed and new hiking trails are being developed.

6.8.3.2 Physical Assessment

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[59] For the sub-category "All other Asia/Pacific" (excluding Australia, New Zealand, and Japan) participation in hiking/backpacking activities jumps to 45 percent.

Location and accessibility -

- Zayas and Dundas Islands (Area C) are accessible by boat from Port Simpson or Metlakatla across Chatham Sound. It is a relatively long crossing affected by high winds.
- The trails in Area D, Prince Rupert/Metlakatla/Port Simpson, are relatively close to the communities, and easily accessible.
- Hikers destined for Porcher and Stephens Islands (Area G) can travel by boat from Prince Rupert, Kitkatla or Oona River.

Infrastructure requirements - With the exception of beach hiking, the hiking product largely depends on the existing trail and road infrastructure. Infrastructure support items such as signage, parking (or anchoring), garbage cans, washrooms, and interpretation would need to be more comprehensive to support enhanced hiking activities. Trails should be marked or identified in a detailed trail map, which could also include basic information about the trail and how to access the trail. Currently there is minimal support infrastructure in place on the North Coast.

The business community likely has little motivation to develop new trail networks by themselves. However some communities will develop new trails over time as part of their economic development goals. Port Simpson is one such community. The Ministry of Forests could also be approached regarding trail infrastructure development.

Proximity and availability of accommodation (both campgrounds and roofed accommodation) and transportation will remain the main infrastructure requirement to support hiking activities. Many tour operators offering hiking seek out good quality, smaller scale accommodations and prefer them to be within one-hour of the trail head.

6.8.3.3 Economic Assessment

Potential economic yield - Hiking activities range from single day to multi-day use and vary as to the clients willingness to pay for the experience. In 1993, of all hiking packages, 89 percent lasted longer than a day, and 60 percent were sold through preset packages with an average length of six days and an average price of $135.25 per day.

Employment - Each hiking venture would generate a small number of seasonal jobs. Canadian hiking companies have, on average, created approximately 4.8 direct jobs per operation. Hiking activities could be linked to other activities to extend employment season.

Capital requirements - In 1993, average gross revenues per hiking operator in Canada was $167,000 with an average gross margin of 6.9 percent. The initial investment required to set up a hiking venture is relatively small, providing the trail infrastructure is in place.

6.8.3.4 Government Policy

A License of Occupation, obtained through BC Assets and Land Corporation, would be required if the proponent(s) wish to create or maintain private trails and campsites. If public trails were to be used then an agreement with the Ministry of Forests or other agency responsible for the trail would be required.

6.8.3.5 Social and Community

Compatibility with existing recreation - Hiking would generally be compatible with other recreation uses on the North Coast. Uncrowded trails are generally a prerequisite for most hikers; particular those attracted to backcountry hiking.

Compatibility with other economic and community uses - Visual and acoustic quality is important for hiking ventures. Thus, the use of hiking areas for tourism purposes is contingent on other resource users in the hiking areas. Hiking is often undertaken in conjunction with other tourism activities and could assist in supporting other types of adventure tourism activities.

Local Economic Development Support / Community Support - The development of hiking opportunities would generally fit within the economic development goals of area communities. For example, Port Simpson is developing a trail network near the community, which they hope will attract visitors to the area. Support would likely be more easily obtained if benefits from a hiking operation were accrued to the community.

Unless being developed by the local First Nations, permissions should be obtained from the First Nation in whose traditional territory the operation is being developed. Specific negotiations will be required if infrastructure is to be developed near a site of cultural or historic significance.

Local skills/Labour market - It is likely most of these jobs would accrue to individuals in the local communities. Training requirements are minimal but local employees would benefit from skills upgrading in specific aspects of delivery of the tourism product.

Table 6.8-3: Market and Socio-economic Assessment of Top Areas for Hiking

Market Criteria		Existing	Potential
Product utilization	Frequency in region	L	M
Link to other products		H	H
Competition	Regional	L	L-M
	Provincial	M	H
Demand trends	North American / International	H	H
	Provincial	M	H
Physical Criteria			
Location and accessibility	• Access to staging area		moderate to good
Infrastructure required	• Good trail infrastructure needed to support trail use.		L –M
Economic Criteria			

Potential economic yield	• Range of trip lengths, variation in client's willingness to pay.	M – H
Employment benefits	• Small number of jobs created, relatively seasonal.	L – M
Capital requirements	• Start-up Capital requirements are minimal.	L
Government Policy		
Tenure required	• License of Occupation required for over night use sites and private trails.	Y
Social and Community		
Compatibility with existing recreation	• Compatible with local recreation and other tourism activities.	H
Compatibility with other economic and community uses	• Sensitive to visual quality. • Could impact sensitive First Nation traditional use areas.	M
Local economic development support/Community acceptance	• In general fits with local tourism develop initiatives.	H
Local skills/Labour market	• Opportunity for local employment.	H

6.9 Air Tours

6.9.1 Discussion

Air tours are by fixed wing or helicopter and primarily associated with glacier viewing, whale and bear watching. Landscape viewing occurs as an ancillary activity associated with shuttling of tourists between destinations. There are opportunities to develop air tours in association with other products such as marine cruising and destination lodges.

PRODUCT: AIR TOURS	
Strengths	Remoteness, scenery, high value recreation features
Weaknesses	Weather, access time to high recreation features, transportation costs to the region, short operating season, high startup costs

Opportunities	Linkage to marine cruising and lodge products, soft adventure market – generally well-seasoned travellers, particularly affluent couples
Threats	Usage of Protected Area / Park Airspace

6.9.2 Resource Assessment of Air Tours

Table 6.9-1: Opportunity Evaluation for Air Tours Based on Resource Criteria

Top Ranked Areas:

- Areas A, B, D, E, F, G, Q, and P meet the criteria most suitable for air tours. Areas are primarily associated with north half of North Coast in association with glaciers, whales and bear viewing. Aircraft based in Bella Bella currently serves tourists wishing to visit Princess Royal Island (Area K), which contains high scenic and fishery values.

Communities Most Able to Benefit from This Product:

- Prince Rupert has commercial air charter and scheduled services, is close to the servicing requirements for aircraft and is situated adjacent to regional and provincial connections. Other communities may benefit if aircraft land and passengers disembark for a period of time.

6.9.3 Market, Economic and Social Assessment of Air Tours

6.9.3.1 Market Assessment

Air tours in the North Coast can be delivered either by fixed wing floatplane or helicopter. Given the restrictions presented by the climatic conditions of the North Coast during the winter, air tours for visitors are generally restricted to summer months. Tours can be short duration flights of a few hours, or longer trips involving overnight stays at remote locations.

Demand - Air tours can be categorized as a soft adventure product, appealing largely to people interested in sightseeing, nature observation and wildlife viewing. Popular destinations for air tours based from Prince Rupert presently include, but are not limited to, the Khutzeymateen Inlet, Ketchikan and the Queen Charlotte Islands. These tours are generally pre-sold through tour companies such as Thomas Cook.

Nature observation and wildlife viewing are increasingly popular activities in Canada and North America, and can be found wherever there is unique scenery or the opportunity to link with other products. This is borne out by the fact that a high proportion of visitors to the Northwest cited wildlife viewing as one of their primary activities – 50 percent of non-residents, and 33 percent of BC residents. It is not always possible; however, to view wildlife from the air, although operators can fly over known seal colonies or locations frequented by whales at certain times of the year.

The market for air tours varies depending on where the air tour operation is based. An operator on the North Coast indicated that many of his customers are middle-aged or retired, with considerable disposable income. These clients are generally FIT (free independent travellers), and often couples.

In contrast, a tour operator in Squamish who offers helicopter tours of a glacier informed the consultants that there is no particular age or income profile for his clients, who range in age from babies to the elderly. This suggests that those willing to travel longer distances for a northern air tour experience are likely to be older and more affluent.

Demand growth for air tours appears to be strongest among visitors from European countries – particularly Germany, Britain, Switzerland and Holland – while it is relatively flat among visitors from the US.

The market for air tours appears to have considerable potential, particularly as the North American and European population ages and as travellers continue to be interested in viewing unique scenery and features in an exciting way.

Competition - There are only three charter flight operations on the North Coast – Harbour Air and Inland both offer fixed wing aircraft for charter flights and air tours while Alpen Helicopter also provides tours. Air tours comprise a small proportion of their respective businesses. According to one operator, five to ten percent of total business is associated with tourism, with the rest being scheduled flights or charters. Air tour operations are brisk elsewhere in BC where there are unique features or scenery (for example, glaciers near Squamish and mountains in Whistler). In nearby Alaska, there are several air tour operations, many of which focus on the glaciers. Abercrombie and Kent, the world's largest tour operator, offer "air safaris" in Alaska.

6.9.3.2 Physical

Location and accessibility - All the top geographic areas for air tours are accessible by plane or helicopter. Given that Prince Rupert is the key base of operation for air tours, some areas such as A (Portland Canal), and B (Observatory Inlet) would require longer trips.

6.9.3.3 Economic

Potential economic yield - Typically trips would be short in duration and client expenditures would be high.

Employment - Airplane and helicopter operations employ several workers on a year round basis but only a small share of their work is related to air tours. Given the large capital cost of starting up and operating an air tour business, it is necessary to diversify into other uses, such as charter flights to support forestry, mining or fire suppression, in order to operate year round. During the summer months a tour operation will create additional employment for pilots, ground crew, clerical/booking agent, and possibly an interpreter.

Capital requirements - Startup costs are high. They include the purchase of a plane or helicopter and establishment of a flight base.

6.9.3.4 Government Policy

Air tour operators would require a License of Occupation from BC Assets and Land Corporation for a landing site or a dock where they take passengers on. Lakes are presently excluded from this policy.

6.9.3.5 Social and Community

Compatibility with existing recreation - Air tours are generally compatible with other recreational uses, although recreationists and wildlife on the ground are sensitive to noise from aircraft. Low fly-overs are prohibited in certain provincial and federal parks.

Compatibility with other economic and community uses - Site specific compatibility may be a concern where the aircraft frequently lands within sight of other recreational users – for example those engaged in wildlife viewing – or where First Nations undertake kelp gathering and other traditional uses.

Local Economic Development Support / Community Support - Air tour operations generally fit with the economic development goals of most communities. Consultation with specific communities may be required if an operator wants to fly over, or land near, culturally or historically sensitive sites. Unless being developed by the local First Nations, permissions should be obtained from the First Nation in whose traditional territory the operation is being developed. Specific negotiations will be required if infrastructure is to be developed near a site of cultural or historic significance.

Local skills/Labour market - While booking and interpretation skills can be learned at the local college, those seeking technical training in aviation or airplane maintenance must go further afield.

Table 6.9-2: Market and Socio-economic Assessment of Top Areas for Air Touring

		Existing	Potential
Product utilization	Frequency in region	L	M
Link to other products		L	H
Competition	Regional	L	L-M
	Provincial	L	M
Demand trends	North American / International	M	H
	Provincial	L	L-M
Physical Criteria			
Location and accessibility	• All situated near water; relatively close proximity to PR.		good
Economic Criteria			
Potential economic yield	• Typically short trips but high value		M
Employment benefits	• Some seasonal jobs created		L-M
Capital requirements	• High start-up capital requirements		H
Government Policy			

Tenure required	• License of Occupation at landing sites or docks.	Y
Social and Community		
Compatibility with existing recreation	• Possible noise and visual impacts from low fly-overs.	Y
Compatibility with other economic and community uses	• May impact sensitive First Nation traditional use areas.	Y
Local economic development support/Community acceptance	• Generally fits with local tourism development initiatives, although consultation would be required with some First Nation's communities regarding routes and landing sites.	Y
Local skills/Labour market	• Local expertise is generally lacking but could be developed over time. Opportunity for local employment.	M

6.10 Mountain Biking

6.10.1 Discussion

Mountain biking is generally associated with established trails or logging roads. The dense undergrowth of the coastal forest makes the region unsuitable for off-trail or off-road biking. In lower elevations, mountain biking is typically known for *technical singletrack* biking, as opposed to distance touring. Easier rides are associated with rolling terrain on well-developed trails. Technical and high aerobic rides are associated with steep terrain, logs, roots, rocks, and other obstacles. High elevation areas may be suitable for heli-mountain biking, where a helicopter provides drop-off and pick-up services, particularly where helicopter access time is short and there are available trails. Consideration for sensitive ecology is a perquisite for development of this opportunity. The product has potential to link to cultural and natural history interpretation.

Mountain biking opportunities on the North Coast are primarily located adjacent to the communities. Specific locations with recreation features suited to the novice or intermediate rider can be found south of Port Simpson and on Porcher Island. The south section of Campania Island has extensive rock formations which could possible be tied to mountain biking.

PRODUCT: MOUNTAIN BIKING	
Strengths	Scenery, high value recreation features, logging roads
Weaknesses	Weather, shortage of trails, stiff competition from other regions of BC, small market for guided mountain biking, potential conflicts with other recreational users

Opportunities	Linkage to high recreation features (less rugged terrain linking beaches and other high value features), marine cruising and lodge products. Provides existing tourism operators opportunity to diversify their products.
Threats	Lack of public sector funding to develop and maintain trails. Environmental concerns in sensitive areas.

6.10.2 Resource Assessment of Mountain Biking

Table 6.10-1: Opportunity Evaluation for Mountain Biking Based on Resource Criteria

Top Ranked Areas:

- Area B: Observatory Inlet, and includes the deserted town sites of Alice Arm and Kitsault
- Area D: Prince Rupert/Metlakatla/Port Simpson
- Area G: Porcher and Stephens Islands.

The above areas meet the criteria most suitable for mountain biking. Their features are generally close to population centers (servicing and access). Scenic and recreation feature values are high and may be the areas may be accessed by trails. Roads are common throughout these areas. **Area J**, containing Campania Island's extensive rock formations, may be interesting to mountain bikers but is remote and contains no existing trails.

Communities Most Able to Benefit from This Product:

- Prince Rupert, Port Simpson, Metlakatla, Kitkatla and Oona River are close to the recreation features and best able to maintain the trails associated with this product. Hartley Bay is the closest community to Campania Island. Lodges presently utilize logging roads as a diversion for their customers.

6.10.3 Market, Economic and Social Assessment of Mountain Biking

6.10.3.1 Market Assessment

There are two types of bicycling products: multi-day frontcountry road tours, and single or multi-day mountain bike tours. Most businesses involved in bicycle ventures in British Columbia are associated with multi-day frontcountry road touring. There are few guided mountain biking businesses in British Columbia, and the guiding side of the mountain biking is in its infancy. This stems from the fact that most mountain biking participants prefer to cycle independently. As mountain bikers age, go further afield for new experiences, and are able to penetrate deeper into the backcountry, the demand for a guided experience can be expected to increase. There will be more demand for guided mountain biking experiences in the mid to longer term.

The mountain biking market has the following traits:

- The age demographic is young with approximately 47 percent of participants between 18 and 34 and a further 33 percent of participants between 35 and 44. Equal numbers of males and females participate in the activity.

- Currently most activity participants in British Columbia are Canadian. The market size for mountain biking is small as mountain biking represents the most strenuous component of the bicycling sector and requires a certain level of fitness. However, the mountain biking sector continues to grow.
- BC is growing in popularity as a mountain biking destination. Currently the Gulf Islands, southern Vancouver Island, Okanagan Valley, and the Kootenays represent the most popular destinations. In the Northwest there are several recognized mountain bike trails, most notably those centered around Terrace and Smithers (See the British Columbia Mountain Bike Trail Database at: www.mtb.bc.ca/trails).
- Competition for development as a tourism product is low in the Northwest, coming primarily from unguided participation and operators offering mountain biking as a secondary activity. It is fairly easy to respond to rising demand because the business is not capital intensive and services can easily be an add-on feature for existing operators.
- Technological change is affecting the nature of the market. Improved frame design and the introduction of front and rear shock-absorber technologies have allowed adventurous mountain bikers to penetrate deeper into the backcountry and enter areas that were previously considered out of bounds or unridable.
- Mountain biking tour operators will need to collaborate with the local accommodation industry and other tourism providers to support their product.

Competition - In the North there is one company offering mountain biking in Prince Rupert, three in Terrace, and one in Kitimat.

6.10.3.2 Physical Criteria

Location and accessibility -

- Access to Observatory Inlet (Area B) would be by boat.
- Trails in Area D, Prince Rupert/Metlakatla/Port Simpson, are relatively close to the communities. They could be accessed either directly by bike from the communities, or by boat or vehicle to a staging area.
- Mountain bikers destined for trails on Porcher and Stephens Islands (Area G) can travel by boat from Prince Rupert, Kitkatla or Oona River.

Infrastructure requirements - Mountain biking relies upon existing trail and road networks. It is not economically feasible to develop new roads and trails exclusively for commercial mountain biking opportunities, so it will be important for the activity to coexist with other resource and recreation uses on the North Coast. Mountain biking can use areas where there are no trail and roads, particularly the alpine zone. However, given the dense forest cover in lower elevations and environmental sensitivities of the alpine zone it is anticipated that these opportunities will be minimal.

6.10.3.3 Economic

Potential economic yield - Predominately short duration ventures (partial day to two days). Participants of this activity generally do not like to pay to partake.

Employment - Each new mountain biking venture will typically generate a small amount of seasonal employment. An owner/manager would be employed for a longer period each year to undertake marketing, bookings, and other business activities. These jobs should accrue to individuals in the local communities, depending on who develops the opportunity and the location of the staging area.

Capital requirements - In 1993, the average annual revenue for Canadian bicycling outfits was approximately $50,000, but low operating costs and gross margins of over 30 percent means operators can generate solid returns. The initial investment required for a mountain biking venture is small compared to other adventure tourism activities. The small capital start-up typically allows the operator several avenues for start-up financing, such as personal loans, government, private lending corporation.

6.10.3.4 Government Policy

Government tenure is not a major issue for the road-touring segment. A License of Occupation (Extensive Area) from BC Assets and Land Corporation would be required if a proponent intends to create or maintain private trails and/or campsites on Crown lands. If public trails were to be used then an agreement with the Ministry of Forests or other agency responsible for the trail would be required.

6.10.3.5 Social and Community

Compatibility with existing recreation - For the most part mountain biking is compatible with other tourism and recreation activities. However, conflicts can arise between other recreational users and mountain bikers or between recreational and commercial mountain bikers in popular trail use areas. If popular areas are considered for development of a commercial product, the carrying capacity of the area should be determined.

Compatibility with other economic and community uses - Mountain biking will need to utilize existing roads and trails and therefore cooperation with the region's forest industry and hiking population will be necessary. The compatibility will depend to a large degree to the effort of cooperation the individual mountain bike operator is able to develop with key stakeholders.

Local economic development support/Community acceptance – The activity generally fits within the economic development goals of the communities if the opportunity can support local employment either by creating local direct employment or supporting existing tourism activities (i.e., accommodation, etc.). Mountain biking would likely assist existing tourism ventures by diversify the products they offer their guests.

Unless being developed by the local First Nations, permissions should be obtained from the First Nation in whose traditional territory the operation is being developed. Specific negotiations will be required if infrastructure is to be developed near a site of cultural or historic significance.

Local skills/Labour market - Currently none of the universities/colleges involved with the adventure tourism programs in BC offer training in mountain bike guiding. This will not change until a greater demand is identified for this sector. Private trainers offer some courses on the technical issues of mountain biking in Vancouver. There is a local labour pool that could be developed to support the opportunity as it grows on the North Coast.

Table 6.10-2: Market and Socio-economic Assessment of Top Areas for Mountain Biking

Market Criteria		Existing	Potential
Product utilization	Frequency in region	L	L
Link to other products		L	L
Competition	Regional	L	L
	Provincial	L	L
Demand trends	North American / International	L	M
	Provincial	L	L
Physical criteria			
Location and accessibility	• Access to staging area		moderate – good
Infrastructure requirements	• Will depend on existing road and trail infrastructure. Transportation infrastructure a barrier for some communities.		L
Economic			
Potential economic yield	• Typically one or two days, clients not willing to pay.		L
Employment benefits	• Small number of seasonal jobs, not strongly linked to other tourism activities.		L
Capital requirements	• Start-up Capital requirements are minimal.		L
Government Policy			
Tenure required	• License of Occupation required if trails are created and overnight site use.		Y
Social and Community			
Compatibility with existing recreation	• Will need to work closely with existing recreation users to avoid conflicts.		M
Compatibility with other economic and community uses	• Will need to work closely with the forest industry if roads and trails are to be used in areas used by the forest sector.		M

	• Could impact sensitive First Nation traditional use areas.	
Local economic development support/Community acceptance	• In general fits with local tourism develop initiatives.	H
Local skills/Labour market	• Local expertise generally lacking – but could be developed over time. Opportunity for local employment.	M

6.11 Ski Touring

6.11.1 Discussion

The moderating influences of the coastal climate limit the consistency and reliability of snow with the exception of the higher elevations. This coastal effect prevails throughout the region. Ski touring, from a guided tourism potential on the North Coast, is limited to high elevation areas adjacent to Prince Rupert and to the Cambria Icefield close to Stewart.

Ski touring opportunities close to Prince Rupert are associated with the ridge near Minerva Lake. There is potential to link ski tours to a hut-to-hut product. The close proximity of this ridge to the coastal marine environment and a substantial population center provides for a unique opportunity along the BC coast. Opportunities associated with the Cambria Icefield are limited. A heli-skiing operator based out of Bell 2 (in the Kalum Forest District) presently has tenured operations in this vicinity and provides experiences of international quality.

PRODUCT: SKI TOURING	
Strengths	Scenery, access and proximity to population center (PR) and uniqueness of accessible snow close to the coast, strong support from local interests
Weaknesses	Proximity to better snow conditions in the adjacent district, weather, lack of adequate, consistent and reliable snowfall
Opportunities	Linkages to Nordic hut-to-hut opportunities and helicopter access; possible growing niche of backcountry recreationists, mostly local
Threats	Lack of public sector funding to develop and maintain access, possible effects of harvesting on visual quality, competition from Shames Mountain near Terrace

6.11.2 Resource Assessment of Ski Touring

Table 6.11-1: Opportunity Evaluation for Ski Touring Based on Resource Criteria

Top Ranked Areas:

- Area D provides the greatest opportunity for ski touring. Proximity to communities and to accessible snow provides opportunities. The opportunity is limited by the proximity to the top quality opportunities for ski touring on Shames Mountain.

Communities Most Able to Benefit from This Product:

- Prince Rupert is close to the highest opportunities for this product. Adjacent to the district, Stewart has some potential given the extent of the nearby icefields.

6.11.3 Market, Economic and Social Assessment of Ski Touring

6.11.3.1 Market Assessment

Demand -- Cross country skiing is considered an adventure travel activity by Tourism Canada and is included in their February 1995 *publication entitled Adventure Travel in Canada; An overview of Product, Market and Business Potential.* Within the cross-country skiing category of winter sports, there are specific niches:

- *Nordic skiing* which is done on relatively flat terrain, on groomed trails; and,
- *Ski touring* which is done in backcountry, often alpine, settings and generally involves creating one's own tracks. Light touring is done over shorter distances, for smaller periods of time (possibly with overnight stay) and requires lighter equipment. Backcountry skiing involves longer trips or excursions in more remote backcountry or alpine settings.

Cross-country activity is well documented in Canada.[60]. Recent data shows the following.

- Eight percent of Canadians over the age of 12 (2,148,000) cross-country ski.
- 49 percent of cross-country skiers (1,050,000) engage in this activity three or more times per month.
- 52 percent of all cross-country skiers are between the ages of 25 and 49.
- BC comprises ten percent of all cross-country skiers in Canada. Quebec and Ontario dominate the sport, accounting for 65 percent.

It is interesting to note that cross-country skiers are relatively affluent, with 58 percent of them claiming household incomes over $50,000. There is also a strong correlation between education level and participation in this sport. In 1994, skiers who were university graduates or post graduates, accounted for 42.5% of the market – in 1999, this share rose to almost 51 percent. By way of contrast, skiers who cited no educational certification declined from 30.5 percent of the market to 20 percent in 1999.

Statistics are not readily available on the ski touring sub-market. There are a few publications directed to the ski touring/mountaineering market and several clubs or organizations exist for those who engage in ski touring. Generally, ski touring is a "club niche" sport. It appears to draw a variety of people, in particular those who engage in mountaineering activities, nordic skiers seeking off-track experiences, and seasoned alpine skiers looking for more solitude.

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[60] A good sources of ski statistics is found on the website address, www.skicaanda.org.

In BC, there are over 40 public backcountry huts available to ski tour recreationists for free, upon donation, or for a small sum. BC Parks, local alpine clubs or societies operate most. There are several others that are privately owned and run on a commercial basis, for example Wells Gray Chalets near Clearwater. The Tetrahedron Ski Club, which maintains four alpine huts on the Sunshine Coast, receives approximately 3,000 visitors per year, primarily locals or visitors from Southwest BC[61]. While reservations are not required, capacity is rarely exceeded.

There are conflicting opinions about the demand trend for ski touring. Enthusiasts in this sport claim that the interest is growing, although no statistics are available to support it. However given the high level of energy required for this sport, and the time required to engage in ski touring, its attractions are offset to some degree by the practical considerations of aging recreationists, who are generally short on time. Most likely the demand for ski touring products will remain strong within small niche groups who reside in or near alpine settings and who have the time and energy to make this sport a priority.

The market for ski touring on the North Coast is largely limited to those living in or near Prince Rupert.

Competition - A commercial ski touring product on the Minerva Lake ridge near Prince Rupert would have has strong competition from Shames Mountain near Terrace.

6.11.3.2 Physical Criteria

Location and accessibility - The Minerva Lake ridge is in relatively close proximity to Prince Rupert. It is accessible during the summer months by a Forest Service road, however the road is closed in the winter months.

Infrastructure requirements - A pullout or parking lot would be required at the terminus of the road to the Minerva Lake ridge.

6.11.3.3 Economic

Potential economic yield - Ski touring would be relatively short in duration but clients would be willing to pay for a guided experience.

Employment - If guided tours are offered, a small amount of winter employment would be generated for guides. If public huts were established, the government or a non-profit society would be responsible for maintenance and supplying firewood. A commercial hut venture would generate more seasonal employment.

Capital requirements - Very low costs are associated with developing a ski touring product. If huts were developed, capital and operating costs would be low to moderate. The Tetrahedron huts cost approximately $6,000 annually to maintain and transport in firewood. [62] However costs are variable. In the early years of operation, unanticipated repairs such as new roofs made the operating costs of the Tetrahedron huts higher. BC Parks budget allocations, contributions from several private and corporate supporters in the nearby communities and donations by users cover the costs of the Tetrahedron huts.

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[61] Interview February 2000.

[62] Source: Tetrahedron Ski Club representative.

6.11.3.4 Government Policy

If huts are developed, the same government policy restrictions apply as for the hut-to-hut product discussed earlier in Chapter 6.2.

6.11.3.5 Social and Community

Compatibility with existing recreation - Ski touring is a low impact sport and compatible with other recreation uses in the area. There may be issues around impacts to the snow quality for ski touring if an opportunity is developed in a snowmobile area. Helicopters used extensively for transportation in a localized area could cause local noise concerns.

Compatibility with other economic and community uses - The activity would be largely compatible with other uses. As the ridge is in an alpine area, there is unlikely to be conflict with forest harvesting, however this should be confirmed.

Local economic development support and community acceptance - The activity generally fits local tourism development initiatives. Unless being developed by the local First Nations, permissions should be obtained from the First Nation in whose traditional territory the operation is being developed. Specific negotiations will be required if infrastructure is to be developed near a site of cultural or historic significance.

Local skills/Labour market - Most skills required to guide ski tours or operate ski huts, are available in the local labour force in Prince Rupert.

Table 6.11-2: Market, Economic and Socio-economic Assessment of Top Area for Ski Touring

Market Criteria		Existing	Potential
Product utilization	Frequency in region	L	L-M
Link to other products		L	L
Competition	Regional	L	L
	Provincial	L	M
Demand trends	North American / International	M	M
	Provincial	M	M-H
Physical criteria			
Location and accessibility	• Close to Prince Rupert		Good

Infrastructure requirements	• None, unless huts are part of development.	L-M
Economic		
Potential economic yield	• Relatively short-term but clients willing to pay	M
Employment benefits	• Seasonal, wintertime	L
Capital requirements	• Minimal start up costs for touring, moderate start up costs for hut-to-hut product	L-M
Government Policy		
Tenure required	• License of Occupation required for huts	Y
Social and Community		
Compatibility with existing recreation	• Yes, but possible snow impacts from snowmobile	Y
Compatibility with other economic and community uses	• No conflicts foreseen with possible of forest harvesting is carried out in or near the alpine	Y
Local economic development support/Community acceptance	• In general fits with local tourism develop initiatives.	Y
Local skills/Labour market	• Skills available locally.	Y

6.12 Product Linkages

The following table outlines some of the linkages between products, providing a glimpse into the interconnectedness of the tourism products evaluated above.

Table 6.12: Product Links

6.13 Highest Tourism Opportunities Associated with Specific Community Groupings

The following set of tables outline the communities and the specific tourism opportunities identified for them.

Port Edward & Prince Rupert Opportunities		
Product	Area	Description
Ocean Kayaking	D	Digby Island, Lucy Island (many beaches).
Wildlife/Natural History: Land	D	Digby Island, Surrounding landscape.
	P	Ecstall River.
Wildlife/Natural History: Marine	D	Whales and other wildlife concentrations, close to high volume travelling population.
Pocket Cruises	ALL	This is the community most likely to attract pocket cruises as a base of operations.
Destination Lodge Resorts	ALL	This community would see a benefit if a destination lodge were developed in any area.
Hiking	D	Digby Island, Lucy Island, Community outskirts.
Heritage	D	Digby Island, Lucy Island, Community outskirts, Pike Island.
	D	Digby Island, Big Bay, Lucy Island.
Air Tours	P	Ecstall River.
	ALL	This community would benefit if Air Tours were developed in the region (close to travelling population, major airstrip).
Mountain Biking	D	Digby Island, Lucy Island, logging roads.
Ski Touring	D	Minerva Lake Ridge.

Metlakatla Opportunities		
Product	Area	Description
Ocean Kayaking	C	Dundas Island Group (wilderness experience, whale watching, fishing).
Hut-to-Hut	C	Dundas Island Group (outstanding recreation features).
Wildlife/Natural History: Land	D	Digby Island, Big Bay, Lucy Island.
Wildlife/Natural History:	C	Dundas Islands (suitable for general marine and natural history

Marine		viewing).
Pocket Cruises	ALL	Would require appropriate infrastructure.
Destination Lodge Resorts	C	Dundas Island.
Hiking	C	Zayas and Dundas Islands.
	D	Digby Island, Big Bay, Lucy Island.
Heritage	D	Digby Island, Pike Island.
Air Tours	D	Digby Island, Big Bay, Lucy Island.
Mountain Biking	D	Digby Island, Big Bay, Lucy Island. Logging roads.

Port Simpson Opportunities		
Product	Area	Description
Ocean Kayaking	C	Dundas Island Group (wilderness experience, whale watching, fishing).
	D	Near community.
Hut-to-hut	C	Dundas Island Group (outstanding recreation features).
Wildlife/Natural History: Land	D	Big Bay and near community.
	F	South Work Channel/Quottoon Inlet (very scenic, large waterfalls).
	E	Khutzeymateen.
Wildlife/Natural History: Marine	E	North Work Channel/Khutzeymateen (Includes Khutzeymateen Provincial Park & Crow Lagoon).
	C, D	Dundas Islands (suitable for general marine and natural history viewing). Whales in area.
Pocket Cruises	ALL	Need to have appropriate infrastructure in place.
Destination Lodge Resorts	C, A	Dundas Island and mouth of Portland Inlet.
Hiking	C	Zayas and Dundas Islands.
	D	Big Bay to Port Simpson.

Heritage	C, D	Dundas Island, Port Simpson.
	E	Khutzeymateen (spiritual heritage)
Air Tours	D	Big Bay to Port Simpson.
	E	North Work Channel/Khutzeymateen (Includes Khutzeymateen Provincial Park & Crow Lagoon).
	F	South Work Channel/Quottoon Inlet (very scenic, large waterfalls).
Mountain Biking	D	Big Bay to Port Simpson. Logging roads.

Oona River Opportunities		
Product	Area	Description
Ocean Kayaking	G	Porcher Island Group (Large beaches, wildlife viewing, best all round kayaking area).
Hut-to-hut	G	Porcher Island Group (Close proximity between open & sheltered waters).
Wildlife/Natural History: Marine	G	Porcher Island Group (General marine wildlife and natural history viewing).
Pocket Cruises	ALL	Need to have appropriate infrastructure in place.
Destination Lodge Resorts	G	Porcher Island.
Hiking	G	Porcher and Stephens Island.
	O, H, I	Pitt Island Ridge.
Heritage	G	Porcher Island.
Air Tours	G	Porcher and Stephens Island.
Mountain Biking	G	Porcher and Stephens Island.

Kitkatla Opportunities		
Product	Area	Description
Ocean Kayaking	G	Porcher Island Group (Large beaches, wildlife viewing, best all

		round kayaking area).
	I	West Pitt Island (Complex land form with many small inlets).
Hut-to-hut	G	Porcher Island Group (Close proximity between open & sheltered waters).
	I	West Pitt Island (Complex land form with many small inlets).
Wildlife/Natural History: Land	H	Grenville Channel, Lakes behind Lowe Inlet, Pitt Island.
Wildlife/Natural History: Marine	G	Porcher Island Group (General marine wildlife and natural history viewing).
	J	Estevan Group.
Pocket Cruises	ALL	Need to have appropriate infrastructure in place.
Destination Lodge Resorts	G	Porcher Island Group.
Hiking	G	Porcher and Stephens Island.
	O, H, I	Pitt Island Ridge.
Heritage	G	Porcher Island, Kitkatla and area.
Air Tours	G	Porcher and Stephens Island.
Mountain Biking	G	Porcher and Stephens Island.

Hartley Bay Opportunities

Product	Area	Description
Ocean Kayaking	L	Verney/Gardner Channel (Kermode bear viewing and touring area protected from winds)
Hut-to-hut	I	West Pitt Island (Complex land form with many small inlets)
	K	Prince Royal Island & Fraser Reach (Best Kermode Bear viewing)
Wildlife/Natural	K	Prince Royal Island & Fraser Reach (Best Kermode Bear viewing, Khutze Inlet known for Grizzly viewing)
History: Land	H	Grenville Channel, Lakes behind Lowe Inlet, Pitt Island

	L	Cliffs, hotsprings and wildlife
Wildlife/Natural History: Marine	J	Estevan Group (General marine wildlife and natural history viewing).
Pocket Cruises	ALL	Need to have appropriate infrastructure in place.
Destination Lodge Resorts	K	Prince Royal Island & Fraser Reach.
Heritage	H, K, L	Butedale Cannery, First Nation Longhouses
Air Tours	P	Ecstall River.
	L, K	Verney/Gardner Channel. Prince Royal Island & Fraser Reach (bear viewing)

Gingolx and Laxgalts'ap Opportunities

Product	Area	Description
Wildlife/Natural History: Land	B	Observatory Inlet (Scenic with historical sites includes Anyox, Alice Arm, and Kitsault)
	Q	Nass Highlands and glacier interface
Wildlife/Natural History: Marine	Q	Nass and outer areas.
Pocket Cruises	ALL	Need to have appropriate infrastructure in place.
Destination Lodge Resorts	A	Portland Canal (close to Alaska)
Heritage	A, B, Q	First Nation and Post Contact sites
Air Tours	A	Portland Canal
	B	Observatory Inlet (scenic and unique area)
	Q	Nass and outer areas.
Mountain Biking	B	Observatory Inlet

7 ISSUES AND GENERAL RECOMMENDATIONS

7.1 Issues Overview

This project and other research have shown that there is a steadily growing global market for adventure and wilderness-related tourism products, and that the North Coast has the features to attract a share of this market. The key development challenges are:

- To prepare the most promising products for the market.
- To match these products with the appropriate markets.
- To attract the financing and investment capital required to develop suitable tourism opportunities.

The consultants have heard from numerous community stakeholders on their goals and objectives for the tourism sector on the North Coast. The key community challenges are to:

- Develop adventure products in an environmentally sustainable manner that maximizes community participation in terms of ownership and employment.
- Retain a large proportion of the economic benefits of tourism development within the local communities.
- Implement tourism development in a manner that fits with overall community social and economic objectives.

7.2 Issues Scan

Several key issues were brought to the attention of the project team either through research, analysis or direct input from consultation with community members and tourism industry professionals. The project team believes these issues should be addressed in further development planning, whether undertaken by public or private interests, if the North Coast is to develop its tourism industry in a manner consistent with community and tourism industry needs. The following points raise the issues observed and provide supporting information discovered through the project.

A

Each community has identified tourism as a key future economic activity and is working on specific tourism initiatives. The communities are becoming more involved in the processes and activities associated with tourism development on the North Coast. The communities recognize the utility of economic diversification into tourism, and have clearly expressed to the project team a desire to have tourism contribute to the local economy.

Currently companies from outside the region operate a large portion of developed ocean-based tourism, resulting in limited local economic benefit. The gap between expectations and reality in terms of benefits accruing to the communities is one which must be addressed if community support for tourism development is to be retained. The goodwill of the host community has been shown to be essential in successful tourism development. This will be particularly important in the case of the smaller North Coast communities where tourism products are likely to be linked with 'local' cultural and the natural resources shared with visitors. Successful tourism ventures recognize and respect traditional and recreational use by local residents and incorporate these aspects into their operations.

B

Local residents, particularly those not directly employed by the tourism industry, must show support towards tourism development. Some residents remain skeptical towards the value of tourism and transmit a negative attitude towards tourists. Additional educational efforts may be required to show the positive economic impact of tourism for the region.

C

To gain community support, business development should occur at a pace that is good for the community as well as the environment. Limits of acceptable change should be examined as part of any outdoor recreation-based tourism development proposal. Local residents maintain a strong sense of ownership or stewardship of the region's resources and wish to maintain a degree of control over how those resources are used. The prime example cited by local tourism operators was concerns over the management and resource allocation of the West Coast Salmon stock. Residents and tourism operators were also concerned regarding the environmental impact of increased beach use by tourism operators, the impact of tourism on the traditional food fishery and the impression given to tourists through the visual impact of timber harvesting.

D

There are many governing and regulatory organizations that have influences over tourism development. These include federal and provincial government agencies, local government and First Nations represented by both hereditary and elected leaders. Currently there is no one organization through which a potential tourism operator can coordinate liaison among the managing bodies.

E

Non-natives see a lack of resolution in the land claims process as a major stumbling block towards tourism development. In the absence of a negotiated land claim, First Nations whose traditional territories fall within the region have indicated that any new tourism venture will require not just the support of the First Nation, but their direct involvement in the development of that opportunity.

F

Proponents of existing or new tourism products on the North Coast need to fully understand and match their products with the appropriate markets. For instance, if the product is rustic, and involves some degree of effort/challenge in planning and accessing for the recreationist (e.g., rustic hut-to-hut experience or ocean kayaking tour), it will likely attract visitors from within the region or province, or possibly regional US. Therefore marketing efforts for this product should be concentrated in those areas. Information towards product-market matching could be gained through discussions with existing businesses offering similar products in other geographic regions.

It is important to remember that a high proportion of visitors to the Northwest are BC residents, either drawn to the area as a destination, or en route elsewhere by car, rail, air or ferry. The greatest marketing efforts should be aimed at BC residents. Alberta and the regional US are also highly important markets. Undertaking marketing and product development for international markets may be viable, but requires research beyond the scope of this project.

G

North Coast operators should strive for quality in all aspects of the industry and their products, as well as accommodation, food and services. This applies to the "high-end" of the market, as well as to those offering products to visitors that choose conventional accommodation, or those offering more rustic amenities with a local flavour.

The level of comfort and amenities will clearly vary with the product and the target market. At the high-end of the tourism market are the international visitors drawn by unique, "world class" experiences. International visitors, who are willing to go further afield to areas like the North Coast, are generally affluent and well-seasoned travellers. They are drawn to extraordinary wildlife viewing opportunities such as Yukon adventures, seaplane safaris in Alaska, or high-end destination lodges like the King Pacific Lodge at Princess Royal Island. They expect, and are willing to pay for, high quality accommodation and a standard of service on a par with that of the best resort destinations around the world. The food must be excellent, and all aspects of the accommodation should be exemplary. Highly qualified guides or interpreters are essential, as well as state-of-the-art transportation and equipment. For destination resorts or tourism attractions trying to compete globally, these are basic requisites, and they point to specific opportunities North Coast residents may wish to explore.

Excerpt from Abercrombie & Kent website:[1]

> *A&K's mission is simple: deliver an unfailingly high level of service, from the quality of our product to the experience of our people, and pair it with an equally high regard for ecological concerns.*
>
> *Abercrombie & Kent is perhaps best known for unique travel experiences - spanning the spectrum from luxury to adventure - in Africa, Antarctica, Australia, the Americas, Europe and the Orient. In fact, you can find A&K on all seven continents, in more than 100 countries from Argentina to Zimbabwe. We believe travel should be an experience and go to great lengths to design our tours around unique features of each destination. We send along renowned experts to bring our trips to life and often include exclusive visits to attractions not normally open to the public... A&K is large enough to secure the best available guides, transport, accommodations, activities and amenities for our guests.*

The "high-end" represents just one strata, or niche, of the tourism market and there are several others, as discussed in this report. In all cases, the North Coast tourism sector needs to ensure quality standards in all aspects of the product. This is what makes a vacation memorable, imparts a provincial or world reputation, and brings visitors back.

H

Tourism operators on the North Coast need to develop strategies for surviving in a competitive industry. For small operators, this may be achieved by focusing on a specific market niche, developing partnerships, and working with small distribution channels. Or they may need to partner with larger operations. For example, a North Coast operator with a truly phenomenal product that can attract international visitors may be able to partner with a large tour operator like Butterfield and Robinson (Toronto) or Abercrombie & Kent (US), to the advantage of both parties[62]

I

The transportation infrastructure that links the North Coast with the rest of the province needs to be maintained and improved to facilitate the arrival of visitors. One of the key concerns raised during consultation with the communities is that any erosion of road, air, rail and ferry services will have a direct, negative impact on the tourism sector of the North Coast.

J

Further development of the products and the associated infrastructure (e.g., local accommodation, supplies, and equipment) is required before tourism products located outside Prince Rupert can be marketed for the North Coast. Even at Prince Rupert some tourism operators have suggested the existing facilities lack the capacity to support expanded visitor volumes. It will be difficult to arrange financing, or attract investment, without demonstrating that the required infrastructure is present to support the tourism product. Moreover, tourism brokers and agents focus their efforts on products which are ready ***now***, and not those which are still developing.

K

Some of the products identified in this report will require a significant capital investment. Clearly, attracting this kind of capital will be a challenge. An investor will be seeking the best return on investment and minimal risk exposure. The investment decision will be influenced by factors such as the market for the product, the competition, the security of the land base, the location of the venture, and the entrepreneur's experience. Community and government support is necessary to provide a favourable investment climate.

L

In many of the more remote communities there is a lack of knowledge on how to access funding and there is a scarcity of mentors who have developed successful business ventures. One of the key challenges is finding entrepreneur/owners with the knowledge and expertise in specific tourism sectors, who can also ensure a high level of quality and service in all aspects of the business, as well as provide an appropriate return to the community. To ensure high standards, the owner will very likely prefer to have control over all aspects of the business. Good communication and a working relationship with the local community and business community will be critical.

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[62] A review of Abercrombie and Kent's website shows that they do not offer any products in British Columbia, but in nearby Alaska they do feature a destination lodge, a wildlife viewing tour and a sea plane safari.

7.3 Recommendations: Skills and Training

On the North Coast, training is critical for helping the labour force to make the necessary shift from traditional, resource-based employment to new, innovative ways of employment in other sectors, including tourism. Clearly it is also essential for developing the skills to successfully establish and operate a tourism business venture. There are two main centres for the delivery of training on the North Coast:

- Northwest Community College, with a campus in Prince Rupert – offers a range of programming, including coastal eco-adventure tourism and business courses.
- North Coast Community Skills Centre – offers training and career development; includes a career resource centre to offer a variety of services to people looking for work or hoping to improve their career prospects.

Training specifically directed towards First Nations is crucial. There are currently high rates of unemployment in First Nation communities. First Nations have identified a need for training in various aspects, including the business end of tourism. They recognize that some skills, such as hosting or cultural commentary, cannot be learned, and are inherent among their members. Other skills required by coastal tourism ventures, such as boat handling, fishing, and providing opportunities for wildlife viewing come naturally to residents of the smaller, more remote communities. Training opportunities for First Nations must be respectful of their culture and existing skill sets while being complimentary to the requirements of tourism businesses.

An inventory of the existing skills available in each community would provide the industry with easily accessible listing of available local workers. This list would help to maximize the hiring of local residents and increase the benefits that would accrue to the local community.

Many of the smaller or more remote communities on the North Coast feel that information about training opportunities need to be more widely broadcast. There are also obstacles to accessing education and training from the more remote communities -- such as geographic distance, infrequent travel service, and poor communications service. There is a desire to deliver as much of the training within the local communities as possible -- it is felt locally that this will increase the success rate for First Nations in their career development.

Most of the suggestions for training focused on various aspects of product delivery and skills that would be transferable from one product sector to another. Suggestions included:

- Business planning and management
- First aid training
- Cooking
- Conflict resolution
- "People skills"
- SuperHost
- Certifications to meet government regulations

7.4 Recommendations: Tourism Product Development

A

The North Coast communities need to develop **a regional tourism action plan.** Currently, each community has identified tourism as key future economic activity and is working on specific tourism initiatives. The communities need to further link their tourism priorities together and begin to roll these into a regional perspective, since many of the initiatives and opportunities will be best served by regional cooperation (i.e., pocket cruising). North Coast operators, developers and communities must work together to build support for tourism and to 'put the community on the map' of regional and international travelers. A clear vision of how tourism development is to occur in the North Coast must be advanced to create cohesion among small operators currently working in isolation from each other and to promote effective marketing and tourism development. The North Coast's tourism competitors are Alaska, Yukon and other off-shore exotic destinations – NOT their fellow North Coast communities.

B

The North Coast tourism interests should consider coming together under some form of **regional cooperative, association or society**. Currently, the Prince Rupert Tourism Association is exploring the development of a local tourism cooperative. The Prince Rupert Economic Development Commission is also exploring the development of a coordinator position to support tourism training and work with existing local service providers to develop new tourism businesses. By working under a common umbrella several strategic areas within the tourism sector could be addressed cooperatively. These areas of activity could include:

Tourism product development

- Training coordination
- Coordination of marketing/packaging
- Government liaison
- **Support for business development**

North Coast tourism sector people, at the community and regional level, have expressed they do not feel effectively represented by provincial level marketing and development structures or organizations. The North Coast is a unique region, geographically and culturally, within the Northern Tourism Region. As such it has distinct product offerings; product development and marketing needs differ from the rest of the Tourism Region. However, the local communities must 'champion' the cause of a regional tourism organization themselves, demonstrating their willingness and ability to assume these responsibilities.

C

Form **relationships with communities** adjacent to the North Coast Forest District. Communities outside the District, such as Stewart, Kitimat and those in the Nass Valley, provide key access to the North Coast and should play a key role in the development of a regional tourism action plan and the formation of a regional cooperative. These adjacent communities will play an important role in the development, packaging, and delivery of many tourism products.

D

Define delivery of specific **training** support, including:

- Coordination of needs and service delivery
- Supporting local delivery, especially in the smaller communities
- Implementing activities and projects

This training coordination function could act as a focal point for disseminating information, and working with communities, the education system and local businesses. It could be used pro-actively to communicate existing and potential tourism-related courses throughout the North Coast, and assist people to develop the capacity to put programs together. Existing service delivery agencies may be able to assume this coordination role.

E

Continue to **coordinate the marketing of a regional image** by undertaking group marketing of the unique features of the North Coast. Tourism proponents can create an image that will raise the profile of the North Coast to compete with other global destinations that feature wilderness or outdoor experiences. Classic examples of "images" marketed to international travellers include bucolic fishing scenes in Ireland, forests in New Zealand, or mountains in Alaska – the North Coast has resources to match the best in the world. A group marketing effort can provide a focused, consistent image of the region to the global markets. Marketing need not be restricted to paid advertising, but can incorporate free promotion such as feature magazine articles. Regardless of the methods employed, marketing efforts should be consistent and accurate.

Marketing and promotion is also important to undertake at a provincial and regional level. As this report has identified, the majority of visitors to the North Coast are from British Columbia. At a local level, promotion will assist in altering negative attitudes towards tourism still held by some residents.

F

In addition to developing new tourism products and markets, **packaging complimentary products** will contribute to the growth of tourism in the region. Packaging and the promotion and marketing of packages are closely tied to the responsibilities of a proposed regional cooperative, association or society. Alliances can be made among several small operators or a combination of large and small operators.

G

Explore the development of **shoulder season and off-season strategies** to expand the potential of products offered on the North Coast. The limited season for most product offerings is a severe limitation. Adverse conditions may be suitable for conversion from liabilities to opportunities (e.g. Storm-watching).

H

A favourable relationship with federal, provincial, and municipal or local governments is essential to create a climate to attract investment and to foster the timely development of tourism products on the North Coast. It is proposed that responsibility and resources be defined to **undertake liaison activities** between government agencies and the local tourism and community interests in order to:

- Educate and inform regulatory agencies of tourism development priorities in the communities on the North Coast. With the regulatory agencies it is important to develop an open and on-going rapport as to the community needs and objectives.
- Develop a local understanding of regulatory agencies' requirements, and an understanding of the appropriate processes for new development from the point of municipal, provincial, and federal perspectives. Maintaining on-going communications with regulatory agencies will

assist with understanding how regulatory decisions are made, and develop the relationships required to overcome development barriers.

- Educate and inform funding agencies as to the activities and priorities of the North Coast tourism sector. This will assist funding agencies with a traditional focus of participation in fishery, forestry and other primary resource-based initiatives to become more comfortable with the process of tourism development. It may also allow them to be more proactive in their participation and allow the community to directly introduce individual tourism developers to key funding agencies to explore project development opportunities.

I

Work with key senior government agencies to plan and implement tourism development. These agencies must be supported to address key tourism issues. Some of the key government agencies and service organizations that could play a role in the development of tourism initiatives and tourism business development on the North Coast include:

- British Columbia Assets and Lands Corporation
- Community Futures Development Corporation of the Pacific Northwest
- Canada Department of Fisheries and Oceans
- Forest Renewal BC
- Human Resources Development Canada
- Tribal Resources Investment Corporation
- BC Ministry of Forests
- BC Ministry of Small Business Tourism and Culture
- Northern Development Commission
- BC Ministry of Community Development, Cooperatives and Volunteers
- Tourism British Columbia

J

Proponents of a new tourism opportunity must enter into ongoing consultation and **gain the support of First Nations** in whose traditional territory the development is to occur. Interaction may range from ongoing dialogue and a hand-shake agreement to a detailed, written protocol agreement to direct involvement in the development and management of a tourism operation. Before development is initiated, detailed knowledge of the extent of the traditional territories and which First Nation has the hereditary rights to each area or resource is required. This can be ascertained best through discussions with the First Nations. Consultation with, and the support of, local First Nations is key to the success of any tourism development. Integrating the First Nations' culture into a tourism development will not only contribute to building community support but also enhance the experience sought out by tourists.

K

Support business development of local tourism sector opportunities by establishing a group of **business mentors and local financial experts** to advise on the issues and requirements of securing financing. Securing financing for entrepreneurs who wish to operate tourism businesses will be challenging. Many traditional lending institutions do not like to lend to ventures located in remote areas of British Columbia. The local mentors and financial experts could:

- Advise on the local merits of establishing a local Community Venture Capital Corporation (through the Ministry of Community Development, Cooperatives and Volunteers) which could further increase the access to capital for tourism related businesses.
- Assist with the developing a network of venture capital avenues and alternative financing opportunities for tourism businesses.
- Educate local financial agencies as to the potential and opportunities within the local tourism sector and work towards informing the financial community around issues of perceived and real risks in the tourism sector.
- Explore the development of lending circles to support tourism business start-up.

L

Work towards identifying and developing a **code of ethics** for tourism operators involved with the various product areas offered in the region. Provincial standards and standards developed by industry associations in other jurisdictions should provide excellent guidance to these efforts. By adhering to a set of standards, tourism operators in the North Coast will ensure that they are delivering a top quality product.

M

Explore the opportunities and disadvantages for local operators to develop **joint ventures and partnerships** with larger tourism companies from outside the region. Many tourism opportunities require specialized skills, experience with specific market networks and significant capital investment. Local resources should be identified to guide exploration of the potential for joint ventures with larger more experienced ventures from outside the region. At a minimum, proponents of a new tourism business should be encouraged to approach existing businesses offering similar products to gain insight into the needs and markets of that product sector.

N

Explore the **infrastructure requirements and improvements** required throughout the North Coast to support specific types of tourism product development. Enter into discussions with existing tourism businesses operating inside the region, as well as those who might be enticed to expand operations to the region such as the cruise ship industry. Discuss the requirements each product sector has, ensure their needs are filled, and then actively promote the improvements that have been implemented.

O

Work with **transportation** providers to ensure that public air, boat and rail linkages are complimentary and supportive of a growing tourism industry. Topics to consider are schedules, equipment, passenger volumes and prices.

P

Produce information materials that will provide support to individuals and communities developing tourism opportunities. These materials should be accessible through low-tech means. In the 1980s Tourism British Columbia developed a "how-to" handbook on developing a new tourism business. This handbook, partially revised for the Kalum Forest and Fisheries Tourism Opportunities Supplemental Study, would be a suitable starting point for material development. The handbook includes sections on:

- Defining the project
- Site evaluation (location analysis, physical analysis, infrastructure needs, building and land development requirements and the concept plan)
- Economic evaluation and feasibility (market analysis, marketing plan, financial analysis, and approaching lending agencies)
- Development and licensing approvals
- Land tenures
- Legislation, regulation, bylaws and policy
- Contacts and resources

The communities on the North Coast must decide for themselves, individually and collectively, the direction they wish to take in tourism development. Some communities are farther ahead than others are in this regard. If the benefits of tourism development are to accrue to the local level, communities must decide what is acceptable, then design a plan to ensure that steps are taken which will promote that type of development in their area.